

Principles of Economics Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	Wealth tax, income tax, property tax etc are	A. Direct taxes B. Indirect taxes C. Proportional taxes D. Progressive taxes
2	Which laws are framed by parliament	A. State laws B. Moral laws C. Economic laws D. Scientific laws
3	Market equilibrium is attained when there exists in the market	A. Perfect competition B. Imperfect competition C. Monopoly D. Large quantity of commodity comes in the market
4	When there is inflation attached with high unemployment level, it is called ?	A. Stagflation B. Hyper inflation C. Demand pull inflation D. Cost push inflation
5	If supply of a commodity changes by more than 10% due to 10% change in its price, then elasticity of supply will be	A. Equal to unity B. More than unity C. Less than unity D. Infinite
6	According to which economist, utility is measureable	A. Marshall B. Adam smith C. Robbins D. Keynes
7	Slope of marginal utility curve is	A. Positive B. Negative C. Vertical D. Horizontal
8	Which one factor is free gift of nature ?	A. Land B. Labour C. Capital D. Organization
9	To the name of which economist, canons of taxation are attributed	A. Adam smith B. Robbins C. Pigou D. Keynes
10	If elasticity of supply is equal to unity then extending supply curve downward, it passes through or crosses	A. y-axis B. x-axis C. Point of origin D. Becomes vertical
11	Expenses of wears and tears of machinery are called	A. Productive expenses B. Non productive expenses C. Wages D. Depreciation expenses
12	"Money is a thing by which payments of agreements of borrowing and pricing are made and general purchasing power is stored in it." This definition of money is stated by the economist	A. Prof Marshall B. Prof Walker C. Prof Keynes D. Prof Crowther
13	If the equation is this, MC=MR-AR(P)=AC, then the firm	A. Earns normal profit B. Earns abnormal profit C. Bears minimum loss D. Bears abnormal loss
14	MC cuts AC at:	A. Maximum point B. Minimum point C. Increasing point D. Decreasing point
15	Production of an additional unit of factor refers to:	A. AP B. TP C. MP

		D. MR
16	The most important and basic factor of production is	A. Land B. Labour C. Capital D. Organization
17	If demand decreases by 15% due to 10% increase in Price, then elasticity of demand is	A. Equal to unity B. More than unity C. Less than unity D. Zero
18	Firm's cost depends upon:	A. Revenue B. Supply C. Price D. Output
19	Wages of temporary labourers are	A. Fixed cost B. Marginal cost C. Total cost D. Variable cost
20	Economics is concerned with the attainment of material requisites	A. Robbins B. Marshall C. Pareto D. Senior