

Terminology Online Test

Sr	Questions	Answers Choice
1	In traditional economic theory four types of markets are identified. Which of the following is not one of them?	A. Capital Control Market B. Monopoly C. Monopolistic Competition D. Oligopoly
2	What is mixed economy?	A. Has supply but not demand B. Has demand but not supply C. Has supply and demand D. Has market forces and government intervention
3	When total utility becomes maximum then marginal utility will be:	A. Minimum B. Average C. Zero D. Negative
4	When a bank loan is repaid the supply of money:	A. Is constant but its composition will have changed B. Is decreased C. Is increased D. May either increase or decrease
5	Cross-price elasticity measures whether:	A. Goods are normal or inferior B. Two goods are substitutes or complements C. Demand is elastic or inelastic D. Supply is steeper than demand or vice versa
6	The reserves of a commercial bank consist of:	A. The amount of money market funds it holds. B. Deposits at the Federal Reserve Bank and vault cash C. Government bonds which the bank holds D. The bank's net worth.
7	Which is the main reason of demand pull inflation?	A. Increase in money supply B. Increase in commercial expenditure C. Increase in foreign demand for goods D. All of the above
8	According to Keynes, real inflation takes place-	A. Before the level of full employment B. On the level of full employment C. After the level of full employment D. All above are true
9	Uncommon meaning inflation is a condition in which-	A. Price of commodity increases B. Value of money decreases C. Price of commodity and value of money both increase D. Price of commodity increases and value of money decreases
10	When the rate of money inflation increases then the prices of commodities?	A. Increase B. Decrease C. Remain constant D. Do not change