Terminology Online Test

Sr	Questions	Answers Choice
1	An individual whose attitude towards is known as:	A. Risk averse B. Risk loving C. Risk neutral D. None of them
2	According to Marshall, the basis to consumer surplus is:	A. Law of diminishing marginal utility B. Law of equimarginal utility C. Law of proportions D. All of the above
3	According to the law of diminishing utility:	A. Utility is a maximum whit the first unit B. Increase units of consumption increase the marginal utility C. Marginal product will fall as more units are consumed D. Total utility will rise at a falling rate as more units are consumed
4	Every country establishes central bank to:	A. issue notes B. Supervise commercial banks C. Give loans to businessmen D. Both a and b
5	In the short run films t in perfect competition will still produced provided:	A. The price covers averages variable cost B. The Price covers variables cost C. The price covers average fixed cost D. The price covers fixed costs
6	Aggregated demand will increases if:	A. Consumption falls B. investment falls C. Exports fall D. Imports falls
7	'From each according to his ability, to each according to his need' is the theoretical slogan of which system?	A. Communist system B. Capitalist system C. Fascist system D. None of these
8	A shift in aggregate supply is likely to:	A. Reduce the general price level and reduce and national income B. Reduce the general price and level and increase national income C. Increase the general price level and reduces national income D. Increase the general price level and increase the national income
9	Friedman's theory of consumption focuses on:	A. Past income B. Current income C. Disposable income D. Permanent income
10	When an economy first begins to grow more slowly:	A. GDP increases B. Inflation is like to increase C. Stock levels are likely to increase D. Investment in equipment is likely to increase