

Terminology Online Test

Sr	Questions	Answers Choice
1	To reduce the supply of money the government could:	A. Reduce interest rates B. Buy back government bonds C. Sell government bonds D. Encourage banks to lend
2	The extent to which persons or organizations are better off at the end of a period than they were at the beginning?	A. Profit B. Inventory C. Good D. Fringe benefits
3	Who developed the innovation theory of profit?	A. Shumpeter B. Haley C. Prof, Knight D. Karl Marx
4	Which of the following is an active factor of production?	A. Land B. Labour C. Capital D. Organization
5	If correlation coefficient is equal to zero, then variables will be?	A. Associated B. Correlated C. Independent D. Dependent
6	The measure of the degree of association between the values of two random variables is called?	A. Correlation B. Association C. Regression D. Co-variance
7	If the cross price elasticity of demand between two goods X and Y is positive it means that goods are:	A. Independent B. Complements C. Substitutes D. Inferior
8	Marginal utility is equal to average utility at that time when average utility is:	A. Increasing B. Maximum C. Falling D. Minimum
9	Utility means:	A. Power to satisfy a want B. Usefulness C. Willingness of a person D. Harmfulness
10	A simple correlation can defined as the tendency of?	A. Independent variation B. Dependent variation C. Simultaneous variation D. Instantaneous variation