Principles of Economics Icom Part 1 English Medium Chapter 10 Online Test

Sr	Questions	Answers Choice
1	All Pakistani coins are	A. Token money B. Standard money C. Convertible money D. Inconvertible money
2	Convertible paper money is issued by	A. Central bank B. Commercial bank C. Industrial bank D. Central government
3	Saving deposits and time deposits of the banks, Govt. securities and shares of the companies are called	A. Token money B. Money of account C. Standard money D. Near money
4	One of the following is not the fiscal measure to control inflation	A. Decrease in public expenditures B. Increase in the value of money C. Increase in taxes D. Encouragement of saving
5	One of the following is not the monetary measure to control inflation	A. Increase in bank rate B. Open market operation C. Increase in the ratio of reserve capital of the banks D. Increase in taxes
6	There exists a relationship between inflation and deflation	A. Increasing B. Inverse C. Indirect D. None of three
7	One of the following is not the assumption of quantity theory of money	A. Velocity of circulation of legal money should not change B. Velocity of Circulation of credit money should not change C. Quantity of hoardings should not change D. Quantity of goods and services should go on changing
8	Which economist said that the term demand for money should be used instead of circulation of money	A. Prof Keynes B. Prof Marshall C. Prof Crowther D. Prof Fisher
9	"Purchasing power of money is inverse of level of prices. So study of purchasing power of money is identical with the study of level of prices." These are the words of	A. Prof Irving Fisher B. Prof Crowther C. Prof Pigou D. Prof Keynes
10	Relationship of level of prices and quantity of money	A. Positive B. Negative C. Indirect D. 2nd and 3rd both
11	Disadvantages of paper money are	A. Unstable value B. Possibility of inflation C. Possibility of wastage D. All the three
12	One of the following is not advantage of paper money	A. Saving of metals B. Saving of coinage C. Easy transferability D. Perfectly inelastic supply
13	One of the following is not the characteristic of money	A. General acceptability B. Durability C. Non homogeneity D. Convertibility
14	Functions of money are	A. Medium of exchange B. Common measure of value C. Store of value D. All the three

15	"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