

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

Sr	Questions	Answers Choice
1	Value of money means purchasing power of money. If quantity of money is doubled then	<p>A. Purchasing power of money will be one halved</p> <p>B. Purchasing power of money will be doubled</p> <p>C. Purchasing power of money will be tripled</p> <p>D. There will be no effect on the purchasing power of money</p>
2	Quantity theory of money failed during world economic depression	<p>A. In 1920</p> <p>B. In 1925</p> <p>C. In 1929</p> <p>D. In 1935</p>
3	Quantity theory of money was criticised by	<p>A. Prof. Keynes</p> <p>B. Prof Marshall</p> <p>C. Prof Pigou</p> <p>D. i and ii both</p>
4	Equation of relationship between quantity of money and value of money, $MV=PT$ is presented by the economist	<p>A. Prof Taussing</p> <p>B. Prof Fisher</p> <p>C. Prof Crowther</p> <p>D. Prof Marshall</p>
5	Basic characteristics of good money are	<p>A. General acceptability, durability</p> <p>B. Homogeneity, divisibility</p> <p>C. Transferability, recognizability, convertibility</p> <p>D. All</p>
6	The main cause of using the Cheque as money is	<p>A. They are proved as receipt</p> <p>B. Most of the people accept them</p> <p>C. Protection of money</p> <p>D. Easy in transportation</p>
7	The unit of money by which the value of goods and services is expressed is called	<p>A. Paper money</p> <p>B. Money of account</p> <p>C. Legal tender money</p> <p>D. Near money</p>
8	One rupee note in paper money is	<p>A. Inconvertible paper money</p> <p>B. Convertible paper money</p> <p>C. Limited legal tender money</p> <p>D. Unlimited legal tender money</p>
9	Kinds of credit money are	<p>A. Verbal promise and written promise</p> <p>B. Govt. securities & debentures</p> <p>C. Cheque & Drafts</p> <p>D. Share of Companies</p>
10	The money which is not in the form of net cash and is not used at once for business dealing is called	<p>A. Near money</p> <p>B. Legal Tender money</p> <p>C. Credit money</p> <p>D. Paper money</p>
11	The money in which payment can be made only to certain extent is called	<p>A. Unlimited legal tender money</p> <p>B. Limited legal tender money</p> <p>C. Metallic money</p> <p>D. Paper money</p>
12	The coins whose current price is greater than their intrinsic value, are called	<p>A. Standard coins</p> <p>B. Paper money</p> <p>C. Token money</p> <p>D. Credit money</p>
13	Notes and coins are legal tender money because	<p>A. Government keeps gold and silver in their exchange</p> <p>B. They are issued by the commercial banks</p> <p>C. They are issued by the central bank</p> <p>D. People are bound to accept them</p>
		<p>A. Standard money</p>

14	The paper notes which can not be converted in gold, silver, or foreign exchange, are called	B. Convertible paper money C. Inconvertible paper money D. Legal tender money
15	This paper notes which can be converted into gold, silver or foreign exchange are called	A. Standard money B. Unlimited legal tender money C. Convertible paper money D. Inconvertible paper money