

## Principles of Economics Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	Which one of the following does not exist during deflation	A. Production decreases B. Value of money increases C. Supply of goods and services increases from their demand D. Level of employment increases
2	World economic depression accured in	A. 1927 B. 1928 C. 1929 D. 1931
3	One of the following is not fiscal measure to control inflation	A. Decrease in public expenditures B. Increase in taxes C. Encouragement of savings D. Increase in investment
4	One of the following is not monetary measure to control inflation	A. Increase in bank rate B. Open market operation C. Increase in ratio of reserve capital D. To create constant situation
5	One of the following is not the cause of inflation	A. Increase in quantity of money B. Increase in demand for goods C. Increase in supply of goods D. Increase in cost of production
6	During inflation increase	A. Exports B. Savings C. Consumption D. Inequality of income
7	Inflation is created	A. When demand for goods is less than their supply B. When demand for goods is more than their supply C. When demand for goods becomes equal to their supply D. When demand and supply of goods do not change
8	Prof Fisher presented quantity theory of money in the form of an equation in	A. 1905 B. 1911 C. 1915 D. 1917
9	Quantity theory of money in the form of an equation was presented by	A. Prof Fisher B. Prof Taussig C. Prof Marshall D. Prof Renald
10	According to quantity theory of money, if quantity of money is doubled then prices are doubled while value of money is	A. Doubled B. One halved C. Less than one halved D. Not influenced
11	Relationship of value of money with quantity of money is	A. Direct B. Indirect C. Inverse D. Positive
12	Value of money means purchasing power of money. If quantity of money is doubled then	A. Purchasing power of money will be one halved B. Purchasing power of money will be doubled C. Purchasing power of money will be tripled D. There will be no effect on the purchasing power of money
13	Quantity theory of money failed during world economic depression	A. In 1920 B. In 1925 C. In 1929 D. In 1935
		A. Prof. Keynes

14	Quantity theory of money was criticised by	B. Prof Marshall C. Prof Pigou D. i and ii both
15	Equation of relationship between quantity of money and value of money, $MV=PT$ is presented by the economist	A. Prof Taussing B. Prof Fisher C. Prof Crowther D. Prof Marshall