

Principles of Economics Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	"The study of nature and principles of government expenditures and revenue is called public finance" This definition is stated by	A. Bastable B. Armitage Smith C. Ricardo D. Robbins
2	"Public finance is that branch of economics which studies the revenue and expenditures of governments institutions, their inter-relationship and financial administration" This definition is stated by	A. Bastable B. Armitage Smith C. Marshall D. Pigou
3	Balance of visible goods of a country mean	A. Quantity of imports & exports B. Value of imports & exports C. Value of imported & exported goods and services D. Value of imported & exported services
4	Which of the following is not invisible trade	A. Expenditure on education in other country B. Expenditure on imported machinery C. Expenditure of passengers traveling by air D. Expenditure of goods carried by a ship
5	One of the following is invisible item of balance of payment	A. Import of motor cars B. Exports of cotton C. Expenditure of passengers traveling by air D. Private investment in foreign country
6	In case of international trade, trade restrictions are usually	A. Limited B. More C. Too much D. None of three
7	In balance of payment are included	A. Visible items B. Invisible items C. Visible and invisible items D. Material items
8	Factors of production are more mobile	A. In international trade B. In the country C. In both D. In none
9	International trade is based on the following except	A. Different factors of production are required for the production of different goods B. Factors of production exist in different ratios in different countries C. Factors of production are in abundant quantity in different countries D. Factors of production are in limited quantity in different countries
10	One of the following is not disadvantage of international trade	A. Dependence on production of limited goods B. Supply of goods injurious to health C. Bitter pill for political freedom D. Development of civilization & culture
11	One of the following is not advantage of international trade	A. Provision of necessities of life B. Imperfections of market C. Provision of medicines & machinery D. Provision of necessities of defence
12	In which of the following condition theory of international trade is presented	A. Monopoly B. Duopoly C. ... D. ...

C. Monopolistic competition
D. Perfect competition

13 In comparative cost or comparative advantage theory, ratio is

- A. 1x1 one good one country
- B. 2x2 two goods two countries
- C. 1x2 one good two countries
- D. 2x1 two goods one country

14 Absolute advantage theory was presented by

- A. Adam Smith
- B. Prof Walker
- C. Ricardo
- D. Marshall

15 Comparative cost theory was presented by

- A. Marshall
- B. Ricardo
- C. Heckscher
- D. Ohlin