

## Economics Ics Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	"The reward for a factor is determined by the marginal revenue product of the factor" . it was said by:	A. J.M. Keynes B. Taussing C. Hansen D. Carver
2	Scarcity means	A. non availability of goods B. high price of goods C. less supply than demand D. high profit of the firms
3	Stock exchange is market where we can buy:	A. Shares B. Foreign exchange C. Factors of production D. Consumer goods
4	Lowest point on the average cost curve in the long-run represents;	A. Optimum factors combination B. Maximum level of output C. Maximum level of total revenue D. None of the three
5	Who introduced the concept of Quasi rent.	A. Hicks B. Alfred Marshall C. Hobson D. Robbins
6	A decrease in demand causes the equilibrium price to	A. rise B. fall C. remain constant D. indeterminate
7	Union leaders are in better position bargain for higher wages if demand for labour is	A. elastic B. inelastic C. very large D. permanent
8	When cross elasticity of demand for A and B is positive number, one can conclude that	A. the goods are cheaper B. the goods are inferior C. the goods are substitutes D. the goods are complements
9	In May 2012, firm was supplying 1000 kg of sugar at market price of Rs. 60/- per kg. During June 2012, firm's supply of sugar had decreased to 900 kg at price Rs. 40/- per kg. These changes show that supply of sugar is	A. Perfectly elastic B. Perfectly inelastic C. Less elastic D. More elastic
10	To the economist, investment refers to	A. sale of real estate B. creation of new capital C. purchase of a prize bond D. decrease in inventories
11	MU curve	A. rises left to right B. is always vertical C. falls left to right D. is always horizontal
12	Money wages are also called	A. Nominal Wages B. Real wages C. Gross wages D. Net wages
13	Pakistan population is growing a rate of .	A. 2 % per annum B. 1.8 % per annum C. 2.9 % per annum D. 2.2 % per annum
14	In which form the largest percentage of national income is earned	A. interest income B. proprietor's income C. employees' income D. rental income
15	Price elastic of demand measures	A. change in price caused by changes in demand B. the rate of change of sales C. the responsiveness of demand to

price changes  
D. the value of sales at a given price

16 Who present the Arc Elasticity formula for the measurement of elasticity of demand.

- A. R.G.D Allen
- B. Pareto
- C. J.R. Hicks
- D. Robbins

17 Normally a demand curve will have the shape

- A. horizontal
- B. vertical
- C. downward sloping
- D. upward sloping

18 A firm should shut down in the short run if it is not covering its

- A. variable cost
- B. fixed cost
- C. total cost
- D. explicit cost

19 The supply curve of day to day market is.

- A. Touching the horizontal axis
- B. Touching the vertical axis
- C. Perfectly elastic
- D. Perfectly inelastic

20 Land as used in economics

- A. is a free gift of nature
- B. is unlimited in quantity
- C. is not hirable
- D. excludes oceans