

Principles of Economics Icom Part 1 English Medium Chapter 4 Online Test

Sr	Questions	Answers Choice
1	When price decreases, supply:	A. Contracts B. Expands C. Remains fixed D. Becomes zero
2	Factor of production which is used to earn more income, is called	A. Land B. Labour C. Capital D. Organization
3	Second factor of production is	A. Land B. Labour C. Capital D. Organization
4	The factor which is needed to produce goods by the combination of land, labour and capital is called	A. Land B. Labour C. Capital D. Organization
5	All the factors of production can be hired except	A. Land B. Labour C. Capital D. Organization
6	Which factor can not be stored	A. Land B. Labour C. Capital D. Organization
7	In modern term, factors of production are called	A. Inputs B. Productive services C. Inputs and productive services D. Production of goods and services
8	One of the following is not called land	A. Rain B. Mountain C. Forests D. Mangla Dam
9	Mental or physical work undertaken for reward by human being is called	A. Land B. Labour C. Capital D. Organization
10	Causes of shifting in supply curve is:	A. Change in technique B. Change in cost C. Change in tax D. All of them
11	When price increases, supply:	A. Contracts B. Expands C. Remains fixed D. Becomes zero
12	If 30% change in supply in response to 50% change in price then:	A. $E_s = 0$ B. $E_s = 1$ C. $E_s > 1$ D. $E_s < 1$
13	As factor of production, river and sea are called	A. Land B. Labour C. Capital D. Organization
14	Organization means an individual or institution which with optimum factor combination	A. Lays foundation of business always earning profit B. Lays foundation of business but does not accept the responsibility of profit and loss C. Lays foundation of business but accepts the responsibility of profit and loss D. Serves as a manager in the business and production organization

15	Tractor, harvester, thrasher etc are the examples of factor of production	A. Land B. Labour C. Capital D. Organization
16	River, sea, forests, rain are called	A. Land B. Labour C. Capital D. Organization
17	If price decreases but supply remains constant, it is called:	A. Fall in supply B. Contraction in supply C. Expansion in supply D. Rise in supply
18	If 50% change in supply in response to 50% change in price then:	A. $E_s = 0$ B. $E_s = 1$ C. $E_s > 1$ D. $E_s < 1$
19	Number of factors of production is	A. One B. Two C. Three D. Four
20	Production of a commodity depends upon four factors of production i.e. land, labour, capital and organization	A. According to classical economists B. According to Neo classical economists C. According to modern economists D. According to Austrian school of thought