

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	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 receives remuneration
3	If quantity supplied changed in response to change in price, is known as:	A. Ed B. Es C. More Elastic D. Less Elastic
4	Tractor, harvester, thrasher etc are the examples of factor of production	A. Land B. Labour C. Capital D. Organization
5	If 50% change in supply in response to 50% change in price then:	A. Es = 0 B. Es = 1 C. Es > 1 D. Es < 1
6	Which factor is oldest and basic factor of production	A. Land B. Labour C. Capital D. Organization
7	Perfectly inelastic supply curve is:	A. Vertical B. Rise upward C. Horizontal D. Fall downward
8	Cannot be separated from labourer	A. Land B. Labour C. Capital D. Organization
9	One of the following is not included in the characteristics of labour	A. Labour and labourer cannot be separated B. Labour can be stored C. Labour has limited mobility D. Supply of labour is inelastic
10	Third factor of production is called	A. land B. labour C. capital D. organization
11	Immortal factor production is	A. Land B. Labour C. Capital D. Organization
12	Free gift of nature is	A. Land B. Labour C. Capital D. Organization
13	One of the following is not included in labour	A. Teaching of a teacher in a school B. Working of a clerk in an office C. To follow a case by a lawyer D. To look after the child by his mother
14	If 30% change in supply in response to 50% change in price then:	A. Es = 0 B. Es = 1 C. Es > 1 D. Es < 1

	... change in supply in response to ... change in price ...	C. Es > 1 D. Es < 1
15	Second factor of production is	A. Land B. Labour C. Capital D. Organization
16	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
17	Causes of shifting in supply curve is:	A. Change in technique B. Change in cost C. Change in tax D. All of them
18	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
19	As factor of production, river and sea are called	A. Land B. Labour C. Capital D. Organization
20	Number of factors of production is	A. One B. Two C. Three D. Four
21	If price increases but supply remains constant, it is called:	A. Fall in supply B. Contraction in supply C. Expansion in supply D. Rise in supply
22	When price increases, supply:	A. Contracts B. Expands C. Remains fixed D. Becomes zero
23	Quantity of a commodity which is offered for sale in a market is called:	A. Trade B. Supply C. Demand D. Stock
24	The factor of production which is used to produce more wealth or increase income is called	A. Land B. Labour C. Capital D. Organization
25	If an entrepreneur does service, in economics it is called	A. Organization B. Discipline C. Labour D. Wage
26	Supply curve slope is:	A. Positive B. Vertical C. Negative D. Horizontal
27	One of the following is not included in the characteristics of land	A. Land is a gift of nature B. All the pieces of land are not equal fertility C. Productive capacity of land is limited D. Supply of land is unlimited
28	One of the following is not called land	A. Rain B. Mountain C. Forests D. Mangla Dam
29	All the factors of production can be hired except	A. Land B. Labour C. Capital D. Organization
30	Stock means the quantity:	A. Sold in market B. Which is offered for sale C. Which exist in warehouse D. Of total production
31	Fourth factor of production is called	A. Land B. Labour C. Capital D. Organization

32	Which factor can not be stored	A. Land B. Labour C. Capital D. Organization
33	In economics, every mental or physical struggle undertaken for reward, is called	A. Land B. Labour C. Capital D. Organization
34	In modern term, factors of production are called	A. Inputs B. Productive services C. Inputs and productive services D. Production of goods and services
35	When supply increases due to rise price, it is called:	A. Fall in supply B. Contraction in supply C. Expansion in supply D. Rise in supply
36	When supply decreases due to fall in price, it is called:	A. Fall in supply B. Contraction in supply C. Expansion in supply D. Rise in supply
37	Blessings like air, rain existing on land are included in factor of production	A. Labour or human resources B. Capital or monetary resources C. Land or natural resources D. Organisation
38	In case of horizontal supply curve, Es is:	A. More than unity B. Less than unity C. Zero D. Infinite
39	The relationship between price and quantity supplied is:	A. Inverse B. Positive C. Infinite D. Zero
40	River, sea, forests, rain are called	A. Land B. Labour C. Capital D. Organization
41	If the rate of change in price and quantity supplied is equal then:	A. Es = 0 B. Es = 1 C. Es > 1 D. Es < 1
42	Mental or physical work undertaken for reward by human being is called	A. Land B. Labour C. Capital D. Organization
43	The most important and basic factor of production is	A. Land B. Labour C. Capital D. Organization
44	Factor of production which is used to earn more income, is called	A. Land B. Labour C. Capital D. Organization
45	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
46	Which factor has no pre-determined reward	A. Land B. Labour C. Capital D. Organization

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