

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

Sr	Questions	Answers Choice
1	In economics, every mental or physical struggle undertaken for reward, is called	A. Land B. Labour C. Capital D. Organization
2	The most important and basic factor of production is	A. Land B. Labour C. Capital D. Organization
3	In case of horizontal supply curve, Es is:	A. Mero than unity B. Less than unity C. Zero D. Infinite
4	Fourth factor of production 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	When price decreases, supply:	A. Contracts B. Expands C. Remains fixed D. Becomes zero
7	Mental or physical work undertaken for reward by human being is called	A. Land B. Labour C. Capital D. Organization
8	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 manger in the business and receives remuneration
9	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
10	Number of factors of production is	A. One B. Two C. Three D. Four
11	Immortal factor production is	A. Land B. Labour C. Capital D. Organization
12	Quantity of a commodity which is offered for sale in a market is called:	A. Trade B. Supply C. Demand D. Stock
13	Factor of production which is used to earn more income, is called	A. Land B. Labour C. Capital D. Organization
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

D.  $E_s \leq 1$

15 Stock means the quantity:

- A. Sold in market
- B. Which is offered for sale
- C. Which exist in warehouse
- D. Of total production

16 Second factor of production is

- A. Land
- B. Labour
- C. Capital
- D. Organization

17 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

18 If the rate of change in price and quantity supplied is equal then:

- A.  $E_s = 0$
- B.  $E_s = 1$
- C.  $E_s > 1$
- D.  $E_s \leq 1$

19 Which factor is oldest and basic factor of production

- A. Land
- B. Labour
- C. Capital
- D. Organization

20 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