

Economics Ics Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	Which one is the third stage of production under law of variable proportions	A. Decreasing average returns B. Increasing average return C. Negative marginal return D. Increasing marginal return
2	Initial utility of a product is :	A. Highest B. Lowest C. Conatant D. None of them
3	When marginal utility of a product is zero its total utility will be.	A. Increase B. Decreasing C. Maximum D. Constant
4	Prof. Marshall thinks	A. Economics studies national welfare B. Economics studies personal welfare C. Economics studies total welfare D. Economics studies material welfare
5	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
6	Supply of a commodity means	A. willingness to sell a certain quantity B. physical stocks available C. planned production D. total production in a given period
7	Which of the following shifts supply curve of cars to the right	A. tax on new cars B. increase in wages of workers C. decrease in steel price D. a successful promotion campaign by sellers
8	When the demand of a product rises due to factors except price it will be.	A. Extension of demands B. Rise of demand C. Contraction of demand D. Extension of demand
9	Which one is increasing function of price	A. demand B. utility C. supply D. consumption
10	The position of the firm when it is earning maximum of profit and Profit = Total Revenue - Total cost are called	A. Perfect competition B. Under perfect competition C. Equilibrium of firm D. None of these
11	A firm decides to exit the industry when	A. AC starts rising B. MC starts rising C. price is less than LAC D. TC starts rising
12	One or more persons living together and having a common budget is called	A. union B. organisation C. household D. house members
13	A contour line which slopes downward from left to right and yield equal level of satisfaction to consumer with the given income is.	A. Negatively slop curve B. An indifference curve C. Positively sloped Curve D. None of the above
14	Law of substitution is another name for	A. law of diminishing MU B. law of equi-MU C. law of demand D. law of satisfaction

15	Efficiency of labour is not affected by	A. attitude of worker B. attitude of employer C. attitude of wife/husband D. all affect
16	Long-run supply curve of labour is.	A. Negatively stoped B. Positively sloped C. Parallel to the horizontal axis D. Parallel to vertical axis
17	profit is a maximum when	A. TC and TR curves are parallel B. MC and MR curves are parallel C. AC and AR curves are parallel D. TFC and TVC are parallel
18	The government constructed a new water reservoir for the purpose of irrigation; this might be taken as	A. increase in supply of capital B. increase in supply of land C. increase in supply of land and supply of capital D. increase in natural resources
19	Which of the following input factor takes risk, innovates and coordinates	A. capital B. labour C. productivity D. entrepreneur
20	One of the following is not studied in Micro economics.	A. Equilibrium to the firm B. Distribution of rewards to factors of productions C. Banking system D. Market equilibrium