

Economics Ics Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	In law of diminishing returns at least one factor	<p>A. must be constant B. must be owned by the firm C. must be purchasable D. must be efficient</p>
2	A rise in supply and demand in equal proportion will result in	<p>A. increase in equilibrium price and decrease in equilibrium quantity B. decreases in equilibrium price and increases in equilibrium quantity C. no change in equilibrium price and increases in equilibrium quantity D. increases in equilibrium price and no change in equilibrium quantity</p>
3	Price elastic of demand measures	<p>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</p>
4	Normally MR curve intersects MC curve at points	<p>A. 1 B. 2 C. 3 D. 4</p>
5	Which of the following is the subject matter of Economics.	<p>A. Optimum use of limited resources for the satisfaction of unlimited human wants. B. Economic problems of the developing countries. C. Labour problems. D. Balance of payment problems.</p>
6	They can expand their business by selling shares in the stock market	<p>A. proprietor of a business B. partners of the business C. joint stock company D. industrial cooperative societies</p>
7	When diseconomies of scale outweigh economies of scale the	<p>A. long run AC curve rises B. marginal cost falls C. long run ATC curve falls D. AVC falls</p>
8	Under monopoly the price is always equal to:	<p>A. AR B. MR C. MC D. AVC</p>
9	The composite demand for a product is generally:	<p>A. Elastic B. Inelastic C. Equal to unity D. Equal to zero</p>
10	Supply curve will shift when	<p>A. price falls B. price rises C. demand shifts D. technology changes</p>
11	When TR of a competitive firm is equal to its TC, the firm attains.	<p>A. Normal profit B. Super normal profit C. Sub-normal profit D. Shutdown point</p>
12	Long run cost curves can be termed as.	<p>A. V-shaped B. U-shaped C. Oval-shaped D. Dish-shaped</p>
13	Ten rupees is the equilibrium price for good Z. If govt. fixes price at Rs. 5, there is	<p>A. a shortage B. a surplus C. excess supply D. loss</p>
		<p>A. MC > MR</p>

14	The necessary condition for equilibrium position of a firm is	B. $MC > price$ C. $MC = MR$ D. $MC = AC$
15	A fall fall in supply will take place due to a:	A. Business collusion B. Bumper crop C. Fall in custom duty D. Fall in income
16	Power of a product which can satisfy human want is.	A. Utility B. Total utility C. Average utility D. Marginal utility
17	An example of money capital is	A. cash B. money in a savings account C. prize bond D. golden ring
18	The price of an non-economic good is:	A. Very low B. Very high C. Zero D. Negative
19	As output increase, one of the following costs will also increase:	A. Marginal cost B. Average cost C. Variable cost D. Fixed cost
20	In factor market, which statement is true	A. wages are determined by MP B. Rent is fixed by landlords C. interest rate is determined by Govt. D. profit is determined by luck