

## Economics Ics Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	Select the correct statement	A. Economics affects politics B. Economics affects history C. Geography affects economics D. all of the above are true
2	If demand is unitary elastic, a 25% increase in price will result in	A. 25% change in total revenue B. no change in quantity demanded C. 1% decrease in quantity demanded D. 25% decrease in quantity demanded
3	Which one is the assumption of law of demand?	A. price of the commodity should not change B. quantity demand should not change C. income of the consumer should not change D. none of the above
4	Which one is the non-economic activity.	A. Service of a doctor B. Morning walk C. Service of teacher D. Service of an advocate
5	The method to measure the elasticity of demand by the unitary method was introduced by.	A. Alfred Marshall B. Robbins C. Adam Smith D. Malthus
6	The supply of perishable goods is.	A. Elastic B. Inelastic C. Perfectly elastic D. None of the above
7	If elasticity of demand is very low it shows that the commodity is	A. a necessity B. a luxury C. has little importance in total budget D. a and c above
8	Equilibrium	A. is a state that can never be achieved in economics B. is an important idea for predicting economics changes C. is a stable condition D. is an unstable condition
9	How many types of markets according to time	A. 3 B. 4 C. 5 D. 6
10	In the second stage of the law of variable of proportions the average product:	A. Rises B. Remains constant C. Falls D. None of the three
11	Gross profit does NOT include	A. rent of his own land B. interest of his own capital C. pure profit D. taxes
12	Wealth of Nations was written in	A. 1976 B. 1876 C. 1776 D. 1676
13	Average cost and marginal cost curves in the short-run are:	A. Quadratic function B. Linear function C. Cubic function D. Log function
14	One of the cause of low wage rate in Pakistan is:	A. Population explosion B. Labour policy

		C. Lack of monility of labour D. Lack of natural resources
15	Fixing of minimum wage	A. raises demand for labour B. raises profits C. causes unemployment D. is welcomed by employers
16	In case of perfectly elastic demand curve, the demand curve will be parallel to the.	A. Horizontal Axis B. Vertical Axis C. None of the above
17	Elasticity of a demand for product will be greater then unity if, with a fall in its price, total expenditure of consumer.	A. Increase B. Falls C. Remains the same D. None of the three
18	One of the following is not an assumption of the Ricardian theory of rent.	A. Lands are cultivated in sequence B. All lands are homogeneous C. All units of labour are identical D. There are original and industuctible powers of soils
19	For production of goods we need factors	A. few B. 2 C. 4 D. unlimited
20	Unemployment due to mechanization of agriculture is	A. seasonal B. structural C. industrial D. personal