

Economics Ics Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	Irrespective of price, Somia always spends Rs. 100 a week on ice cream, we conclude that	A. elasticity of demand is 0 B. elasticity of demand is 1 C. elasticity of demand is infinite D. law of demand has been violated
2	At the point of equilibrium of firm under perfect competition	A. MC curve must be rising B. MC curve must be falling C. MR curve must be rising D. MR curve must be falling
3	Increasing the minimum wage for workers will	A. solve the unemployment problem B. result in scarcity of workers C. cause substitution of capital for labour D. decreases the MP of those workers
4	The basic goal of a firm is to	A. maximize revenues B. maximize employees' welfare C. maximize profit D. maximize output
5	One of the following is not land.	A. Sui gas B. Electric power C. Atlantic Ocean D. A river
6	Supply curve	A. is vertical in long run B. is flatter in long run C. is same in long and short run D. is horizontal in both short and long run
7	Law of equimarginal utility is also called.	A. Law of substitution B. Law of maximum social benefits C. Law of economy D. Law of maximum satisfaction
8	A fall in supply will take place due to a:	A. Business collusion B. Bumper crop C. Fall in custom duty D. Fall in income
9	In market equilibrium, supply is vertical line. The downward sloping demand curve shifts to the right. Then	A. price will fall B. price remains same C. price will rise D. quantity rises
10	Which one of the following represents fixed cost:	A. Price of raw material B. Wages C. Interests on loan D. Rent of land
11	Which of the following saying describes diminishing marginal returns in the short run?	A. When the cat is away, the mouse will play B. Too many cooks spoil the broth C. A rolling stone gathers no moss D. A stitch in time saves nine
12	The minimum wage is an example of	A. price floor B. price ceiling C. equilibrium wage D. efficiency of labour
13	Long run average cost curve is :	A. U shaped B. L shaped C. Dish shaped D. None of the three
14	When price elasticity of demand for normal goods is calculated, the value is always	A. positive B. negative C. constant D. greater than one

15	In the business world	<p>A. a firm working under perfect competition wants to become a monopoly</p> <p>B. a firm working under monopoly wants to become a competitive firm</p> <p>C. monopoly price is always higher than competitive price</p> <p>D. competitive price is always higher than monopoly price</p>
16	The supply curve of day to day market is.	<p>A. Touching the horizontal axis</p> <p>B. Touching the vertical axis</p> <p>C. Perfectly elastic</p> <p>D. Perfectly inelastic</p>
17	MRP curve of a firm represent demand curve of industry under.	<p>A. Imperfect competition</p> <p>B. Monopoly</p> <p>C. Oligopoly</p> <p>D. Perfect competition</p>
18	In Pakistan rate of labour participation is	<p>A. 13%</p> <p>B. 23%</p> <p>C. 33%</p> <p>D. 43%</p>
19	Who present the Arc Elasticity formula for the measurement of elasticity of demand.	<p>A. R.G.D Allen</p> <p>B. Pareto</p> <p>C. J.R. Hicks</p> <p>D. Robbins</p>
20	Who was the exponent of welfare economics.	<p>A. Alfred Marshall.</p> <p>B. Adam smith.</p> <p>C. Lionel Robbins</p> <p>D. J.M. Keynes.</p>