

Economics Ics Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	Marginal utility of a product is the utility obtained by consuming.	A. First unit of consummption B. Each additional unit of consumption C. Last unit of consumption D. None of the them
2	The following are causes of shift in demand EXCEPT the one	A. change in income B. change in price C. change in fashion D. change in prices of substitutes
3	A positive statement	A. concerns what is B. is always accurate C. deals with values and opinions D. cannot be tested in the real world
4	Profits	A. are residual payment B. are pre-detemined C. are fixed by contract D. are always higher than wages
5	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
6	Who was the exponent of macro economics in recent times.	A. Adam Smith B. J.M. Keynes C. Marshall D. Maithus
7	Standard of living of workers depends upon their	A. nominal wages B. real wages C. average product D. govt. policy
8	Which of the following is correct with respect to resources	A. Money is a capital good B. Human skills are a labour input C. Entrepreneur is part of the labour input D. Natural resources include human input
9	Every factor of production gets reward equal to its	A. cost B. marginal product C. price D. increasing return
10	The cost which a firm incurs for purchasing or hiring factors is called	A. implicit B. explicit C. real D. basic
11	TR increase at a constant rate under:	A. monopoly B. Monopolistic C. Perfect competition D. Oligopoly
12	The demand curve is negatively sloped due to	A. Income effect B. Substitution effect C. Price effect D. All the three
13	A firm earns economic profit when total profit exceeds	A. normal profit B. implicit costs C. explicit costs D. variable costs
14	The price and sales of sugar both increase. What could be the cause of this?	A. a decrease in the income of the consumers. B. a decrease in the tax on sugar C. An increase in the wages of workers in the sugar industry

		D. An increase in the price of sug- substitutes
15	When MR = MC , a firm.	A. Does not attain a equilibrium position B. Suffers from loss C. Attains its equilibrium position D. Attains profit
16	If a person consumes goods X and Y maximises total utility, then MU per rupee from the two goods must be	A. equal B. unequal C. increasing D. decreasing
17	One of the following is fixed capital.	A. Raw material B. Defence saving certificate C. Machinery D. None f the three
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. none of these
19	According to Malthus, population increase by	A. arithmetic progression B. geometric progression C. systematic progression D. automatic progression
20	Human wants are	A. one thousand B. few C. innumerable D. countable