

Economics Ics Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	Which of the following is example of external economies of scale?	<p>A. Discount on purchases of raw materials</p> <p>B. Technical progress leads to development of machines at low price</p> <p>C. Hiring of specialized staff due to increase in scale of production</p> <p>D. A firm starts producing by products</p>
2	Haris has a special taste for chicken rolls of college canteen. The owner of the canteen doubles the price of chicken roll. Haris did not respond to the increase in prices and kept on demanding the same quantity of chicken roll. His demand for chicken roll is	<p>A. perfectly elastic</p> <p>B. perfectly inelastic</p> <p>C. elastic</p> <p>D. less elastic</p>
3	It is most suitable for large scale business	<p>A. proprietorship</p> <p>B. partnership</p> <p>C. corporation</p> <p>D. cooperative society</p>
4	Productivity of labour can be increased by	<p>A. raising minimum wages</p> <p>B. reducing profits</p> <p>C. increasing skills of workers</p> <p>D. punishing absentee workers</p>
5	Supply curve will shift when	<p>A. price falls</p> <p>B. price rises</p> <p>C. demand shifts</p> <p>D. technology changes</p>
6	Law of demand shows relation between	<p>A. income and price of commodity</p> <p>B. price and quantity of a commodity</p> <p>C. income and quantity demanded</p> <p>D. quantity demanded and quantity supplied</p>
7	The price and sales of sugar both increase. What could be the cause of this?	<p>A. a decrease in the income of the consumers.</p> <p>B. a decrease in the tax on sugar</p> <p>C. An increase in the wages of workers in the sugar industry</p> <p>D. An increase in the price of sugar substitutes</p>
8	When TR of a competitive firm is equal to its TC, the firm attains.	<p>A. Normal profit</p> <p>B. Super normal profit</p> <p>C. Sub-normal profit</p> <p>D. Shutdown point</p>
9	Which one is increasing function of price	<p>A. demand</p> <p>B. utility</p> <p>C. supply</p> <p>D. consumption</p>
10	When a firm using a fixed amount of land and capital takes on more workers, it finds that marginal product(MP) of labour falls but the average product(AP) of labour rises. This can be explained by the factors that	<p>A. MP of labour is grater than AP of labour</p> <p>B. additional workers are more efficient</p> <p>C. MP and AP are equal</p> <p>D. AP is maximum</p>
11	Net rent is also called.	<p>A. Different rent</p> <p>B. Quasi rent</p> <p>C. Scarcity rent</p> <p>D. Economic rent</p>
12	$x^2 - y^2 = 10$ This function can be termed as .	<p>A. Expicit function</p> <p>B. Implicit function</p> <p>C. Linear function</p> <p>D. Constant function</p>
13	Which of the following is one of the assumptions of perfect competition.	<p>A. few buyers and few sellers</p> <p>B. many buyers and few sellers</p> <p>C. many buyers and many sellers</p> <p>D. all sellers and buyers are honest</p>

14	Robbins in his definition	A. talks of scarcity of resources B. preached moral values C. supports Adam smith view D. none of the above
15	The supply of labour is based on the trade off between leisure and	A. wealth B. work C. wages D. price of product
16	Marginal product curve intersects average product curve when AP curve is	A. minimum B. maximum C. rising D. falling
17	Choose the correct establish condition for equilibrium	A. $MR = MC$ B. MC intersects MR curve from below C. $MC + MR$ D. Both a and b
18	Production in economic means	A. factors of production B. doing some job C. output of goods D. profit
19	If quantity demanded is completely unresponsive to changes in price, demand is	A. inelastic B. unit elastic C. elastic D. perfectly inelastic
20	Underemployment of labour means	A. a worker does not get full time job B. a worker is not happy with present job C. a person does not get job according to his qualification D. a and c of above