

## Economics Ics Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	When demand is perfectly elastic, an increase in supply will result in	A. decrease in quantity sold B. increase in quantity sold C. fall in price D. b and c above
2	Which one can cause a change in demand	A. change in income B. change in supply C. change in tastes D. a and c of above
3	About labour we can say with certainty that it is	A. Perishable B. Hirable C. Reliable D. all of the above
4	Who present the Arc Elasticity formula for the measurement of elasticity of demand.	A. R.G.D Allen B. Pareto C. J.R. Hicks D. Robbins
5	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
6	Father of the political economy	A. Adam smith B. Malthus C. Marshall D. Samuelson
7	Profit is maximum when	A. distance between TR and TC is maximum B. distance between AR and AC is maximum C. distance between MR and MC is maximum D. distance between MR and AR is maximum
8	Labour input includes	A. inventor B. innovator C. unskilled worker D. all of the above
9	If in a production process, all inputs are increased by 10% and output increase by less than 10%, then it is called	A. economies of scale B. diseconomies of scale C. diminishing marginal returns D. negative economies
10	How many Kinds of variables?	A. There are many kinds of variables B. There are 2 kinds of variables C. There are 3 kinds of variables D. There are 4 kinds of variables
11	According to Ricardo rents are high because prices of produce of land are	A. high B. low C. constant D. none of the above
12	Gross profit does NOT include	A. rent of his own land B. interest of his own capital C. pure profit D. taxes
13	Sometimes the supply curve of labour bends	A. downward B. upward C. backward D. firstly upward and then downward
14	A variable is a symbol which, during a discussion, may assume different values or a set of admissible values. This is the definition of	A. Prof. Kooros B. Prof. Marshall C. Prof. Rabbins D. Prof. Kneez

15	In Pakistan rate of labour participation is	A. 13% B. 23% C. 33% D. 43%
16	The basic goal of a firm is to	A. maximize revenues B. maximize employees' welfare C. maximize profit D. maximize output
17	during short period, diminishing returns may follow because	A. quantity of labour is fixed B. quality of labour is fixed C. quantity of capital is fixed D. quantity of any one factor is fixed
18	If elasticity of supply is one, supply curve will be	A. horizontal B. vertical C. passing through origin D. touching x-axis
19	Profits arise because an entrepreneur	A. prepares plan B. innovates C. lends money D. a and b of above
20	Elasticity of demand in case of minor change in price and quantity demand will be .	A. Income elasticity of demand B. Cross elasticity of demand C. Point elasticity of demand D. Arc elasticity of demand