

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	$y = 2^x$ is a.	A. Log function B. Linear equation C. Exponential function D. Increasing function
3	If a firm increases the ratio of capital to labour, it becomes more	A. labour intensive B. capital intensive C. output intensive D. input intensive
4	_____ is a science which is concerned with the collection, presentation, and interpretation of numerical data	A. Statistics B. Economics analysis C. Function D. None of these
5	Under marginal productivity theory, reward for labour is determined by	A. owner B. government C. labour D. marginal product
6	In the long-run a firm attains under monopoly;	A. Normal profit B. Super normal profit C. Sub-normal profit D. Any on of the above
7	Choose the correct condition of equilibrium of firm	A. MC = MR B. MC curve cuts MR curve from below C. Both a and b D. MC + MR - AR
8	Select the correct statement	A. Economics affects politics B. Economics affects history C. Geography affects economics D. all of the above are true
9	Utility of a product depends upon	A. Knowledge B. Ownership C. Form D. All of them
10	Law of demand shows relation between	A. income and price of commodity B. price and quantity of a commodity C. income and quantity demanded D. quantity demanded and quantity supplied
11	The quality of commodity that satisfies some human want or need is called	A. service B. demand C. utility D. efficiency
12	Professor Knight is famous for his theory of	A. rent B. profit C. population D. wages
13	Validity of economics theories can never be proved with 100 percent certainty, because	A. ceteris paribus clause B. limited number of observation is possible C. very large number of economic theories proved false in the past D. b and c
14	A firm earns economic profit when total profit exceeds	A. normal profit B. implicit costs C. explicit costs D. variable costs

15	When the percentage change in quantity demanded is greater than the percentage change in price, elasticity of demand for the product will be.	A. Equal to unity B. Less than unity C. Greater than unity D. Equal to zero
16	The proportion of rural population in Pakistan is:	A. 68% B. 70% C. 72% D. 74%
17	Marginal revenue is always less than price at all levels of output in	A. perfect competition B. monopoly C. both A and B D. none of the above
18	All non materials products which can satisfy human wants are called.	A. Economic goods B. Services C. Non-economics goods D. Services
19	Profit is maximum when	A. TC and TR curves are parallel B. MC and MR curves are parallel C. TC and TR curves cross each other D. AC and AR curves cross each other
20	Law of decreasing returns generates	A. law of economic growth B. law of increasing costs C. law of variable costs D. law of decreasing costs