

## Economics Ics Part 1 English Medium Online Test

| Sr | Questions  | Answers Choice  |
|----|--|---|
| 1  | Which on of the following represents fixed cost:   | A. Price of raw material<br>B. Wages<br>C. Interests on loan<br>D. Rent of land   |
| 2  | Which is the general form of quadratic equation  | A. $x^2 - x - 20 = 0$<br>B. $ax^2 + bx + c = 0$<br>C. $x^2 - x - c = 0$<br>D. None of these   |
| 3  | Which of the following markets comes closest to perfect market                                       | A. wheat market<br>B. cigarette market<br>C. cold drinks market<br>D. stock market  |
| 4  | A monopoly firm is in equilibrium when   | A. MC intersects AC<br>B. MC intersect MR<br>C. AC intersects AR<br>D. TC intersects TR   |
| 5  | With an increase in cost of production, price of the product rises while supply of the product will. | A. Fall<br>B. Rise<br>C. Remain unchanged<br>D. Non of the three  |
| 6  | The demand for a factor is called.   | A. Composite demand<br>B. Joint demand<br>C. derived demand<br>D. No demand   |
| 7  | Which one is increasing function of price  | A. demand<br>B. utility<br>C. supply<br>D. consumption  |
| 8  | Economic wants.  | A. Can unlimited<br>B. Capital goods<br>C. Social goods<br>D. Public goods  |
| 9  | In economics, assumptions  | A. make economics theory useless<br>B. mean other things equal<br>C. enable economics to simplify reality<br>D. used in micro and not in macroeconomics   |
| 10 | Law of demand shows relation between   | A. income and price of commodity<br>B. price and quantity of a commodity<br>C. income and quantity demanded<br>D. quantity demanded and quantity supplied |
| 11 | If elasticity of supply is greater than one. supply curve will be                                    | A. horizontal<br>B. vertical<br>C. passing through origin<br>D. touching y-axis   |
| 12 | The major difference between perfect competition and monopolistic competition is                     | A. unity of frims<br>B. differentiated product<br>C. rate of profit<br>D. free exit and entry   |
| 13 | The elasticity of demand of durable goods is   | A. less than unity<br>B. greater than unity<br>C. equal to unity<br>D. zero   |
| 14 | Productivity of labour can be increased by   | A. raising minimum wages<br>B. reducing profits<br>C. increasing skills of workers<br>D. punishing absentee workers                                       |
|    |  | A. elastic  |

|    |   |  |
|----|---|--|
| 15 | Union leaders are in better position bargain for higher wages if demand for labour is                                       | B. inelastic<br>C. very large<br>D. permanent  |
| 16 | Variable are represented by symbol  | A. V<br>B. U<br>C. P<br>D. C   |
| 17 | When there is big change in quantity supplied resulting from a minor change in its price, its elasticity of supply will be. | A. Equal to unity<br>B. Less than unity<br>C. Equal to zero<br>D. Greater than unity |
| 18 | It is most suitable for large scale business  | A. proprietorship<br>B. partnership<br>C. corporation<br>D. cooperative society      |
| 19 | Production in economic means  | A. factors of production<br>B. doing some job<br>C. output of goods<br>D. profit     |
| 20 | He put forward the theory of profit   | A. Keynes<br>B. Adam Smith<br>C. Knight<br>D. Anyson                                 |