

Economics Ics Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	Which of the following is <i>NOT</i> capital as economists use the term	A. an office building B. machinery in a factory C. an industrial robot D. money
2	The borrower has to pay interest because of	A. His poverty B. productivity of capital C. greediness of capitalist D. scarcity of capital
3	If the government supplies a product at a price less than the equilibrium price, it will create:	A. Shortage B. Surplus C. Non of the two D. Equilibrium quantity
4	Profits	A. are necessary B. are unnecessary C. can never be negative D. are illegal
5	The difference between iron ore deposits and the steel produced illustrates the difference between	A. labour and natural resources B. labour and capital C. natural resources and capital D. natural resources and entrepreneurship
6	When total product (TP) reaches its maximum, Marginal product (MP) is_	A. Zero B. Positive C. Negative D. Rising
7	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
8	Land as used in economics	A. is a free gift of nature B. is unlimited in quantity C. is not hirable D. excludes oceans
9	If equilibrium price rises but equilibrium quantity is unchanged, the cause is	A. supply and demand both increase equally B. supply and demand decrease equally C. supply curve is vertical and demand increases D. supply increases and demand is same
10	$x^2 - y^2 = 10$ This function can be termed as .	A. Explicit function B. Implicit function C. Linear function D. Constant function
11	Land means	A. sea B. surface of earth C. natural forests D. all natural resources
12	Members of a public limited company in Pakistan are.	A. 5 to 50 B. 10 to 100 C. 7 to any number D. only 5
13	If demand is unitary elastic, a 25% increase in price will result in	A. 25% change in total revenue B. no change in quantity demanded C. 1% decrease in quantity demanded D. 25% decrease in quantity demanded
14	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
15	If quantity demanded is completely unresponsive to changes in price, demand is	A. inelastic B. unit elastic C. elastic D. perfectly inelastic
16	Power of a product which can satisfy human want is.	A. Utility B. Total utility C. Average utility D. Marginal utility
17	Money wages are also called	A. Nominal Wages B. Real wages C. Gross wages D. Net wages
18	Risks in the business arise because of	A. introduction of the new products B. uncertain policy of rival firms C. changes in tastes D. all the above
19	If price elasticity of demand is very low, the commodity is	A. necessity B. luxury C. substitute D. not available
20	The method to measure the elasticity of demand is :	A. Percentage method B. Total outlay approach C. Geometric approach D. All the three