

Economics Ics Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	If Bali burgers find that their MC of burgers is less than MR they would try to	A. expand business B. reduce business C. continue as before D. close business
2	The demand curve slopes downward from left to right because of:	A. Income effect B. Substitution effect C. Entry of new buyers D. All of the above
3	Demands and supply curves cross at	A. always at 60 degree B. at 90 degree C. at equal angle D. at any angle
4	Every country should have population	A. minimum B. constant C. optimum D. fast growing
5	A consumer in equilibrium when marginal utilities are	A. minimum B. highest C. equal D. increasing
6	The word "LIMITED" at the end of a firm's name means	A. it produces only commodity B. has limited capital C. cannot have more than 100 members D. shareholders liability to pay debt of firm cannot exceed value of their investment
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	Rent is calculated from	A. most superior land B. most inferior land C. marginal land D. uncultivable land
9	In the business world	A. a firm working under perfect competition wants to become a monopoly B. a firm working under monopoly wants to become a competitive firm C. monopoly price is always higher than competitive price D. competitive price is always higher than monopoly price
10	The following are causes of shift in demand EXCEPT the one	A. change in income B. change in price C. change in fashion D. change in prices of substitutes
11	The necessary condition for equilibrium position of a firm is	A. MR > MC B. MC > price C. MC = MR D. MC = AC
12	In economics, one or more persons sharing common consumer budget is called	A. social group B. consumer union C. organisation D. household
13	Which one will be termed as supply of a product.	A. One tone potato in cold storage B. One ton rice offered for sale in market C. One ton rice brought for sale in market at a certain price. D. None of the three

14	The elasticity of demand of durable goods is	A. less than unity B. greater than unity C. equal to unity D. zero
15	During a particular year farmers experienced a dry weather, if all other factors remain constant, farmers supply curve for wheat will shift to	A. rightward B. leftward C. downward D. no direction
16	Union leaders are in better position bargain for higher wages if demand for labour is	A. elastic B. inelastic C. very large D. permanent
17	Unemployment due to mechanization of agriculture is	A. seasonal B. structural C. industrial D. personal
18	These are kinds of rent EXCEPT	A. differential rent B. scarcity rent C. mobility rent D. location rent
19	Which type of problems are brought under discussion in micro economics .	A. Consumer's behaviour B. International trade C. Balance of payment D. Public finance
20	Which of the following saying describes diminishing marginal returns in the short run?	A. When the cat is away, the mouse will play B. Too many cooks spoil the broth C. A rolling stone gathers no moss D. A stitch in time saves nine