

Economics Ics Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	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
2	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
3	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
4	Perfectly inelastic supply curve is:	A. Parallel to vertical axis B. Parallel to horizontal axis C. Rises upward to the right D. Falls downward to the right
5	The purchasing power of money alongwith the fringe benefits for a labour will determine his/her:	A. Nominal wage B. Gross wage C. Real wage D. Net wage
6	In case of perfectly elastic demand curve, the demand curve will be parallel to the.	A. Horizontal Axis B. Vertical Axis C. None of the above
7	The extent of market depends upon	A. Means of transport and communication B. Political instability C. Economics instability D. Trade restriction
8	A firm should shut down in the short run if it is not covering its	A. variable cost B. fixed cost C. total cost D. explicit cost
9	When MP is zero, TP is	A. minimum B. maximum C. rising D. falling
10	In case of perfectly elastic demand curve, the demand curve will be parallel to the :	A. Horizontal axis B. Vertical Axis C. None of the above
11	Which one is not determinant of demand	A. tastes B. income C. method of production D. price
12	The price of a product double due to which its quantity demand falls to one half. The elasticity of demand for product will be:	A. Equal to unity B. Less than unity C. Greater than unity D. Equal to zero
13	With rapid economic growth in a country the individual demand curve will:	A. Rise B. Fall C. Extend D. Contract
14	A bridge will be a	A. Private good B. Capital goods C. Consumer good D. Personal good
15	A mechanism, or arrangement, which brings together buyers together buyers and sellers of particular goods or services are called	A. Market B. Revenue curve C. Contact D. None of these

16	The shape of rectangular hyperbola is made by	A. MC B. AFC C. AVC D. TFC
17	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
18	If equilibrium price rises but equilibrium quantity remains unchanged, the cause is	A. supply and demand both increase equally B. supply and demand both decrease equally C. supply decreases and demand increases D. supply increases and demand decreases
19	If marginal product of labour rises because of new technology	A. wages will rise B. wages will fall C. wages will be unaffected D. may raise or fall
20	When MU is positive, TU	A. increases B. decreases C. remains constant D. is maximum