

## Economics Ics Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	:It is not possible to separate marginal revenue product of each factor of production:. It was said by:	A. Carver B. Hobson C. Hansen D. Hicks
2	Capital formation takes place when	A. people save a part of their incomes B. saved amount is invested C. investors expect good return D. all of the three
3	If the price of a product increase from Rs. 12 per unit and as a consequence quantity demand of the product falls from 100 units to 50 units . The price elasticity of the product will be.	A. 2.5 B. 0.5 C. 1.5 D. 3.5
4	Under perfect competition	A. AC = AVC B. AR = AC C. AR = MC D. AR= MR
5	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
6	When the price of a product increase by 100 percent and as a consequence, its quantity supplied increase by 125 percent, Its elasticity of supply will be.	A. Less than unity B. Greater than unity C. Equal to unity D. Equal to zero
7	A market competition form in which there are very large number of firms producing a homogeneous commodity are called	A. Perfect competition B. Equilibrium of firm C. Under perfect competition D. None of these
8	A horizontal demand curve has a price elasticity of	A. zero B. infinity C. 1 D. variable
9	The demand of a good falls when.	A. Its price falls B. Price of the substitute changes C. its price rises D. It price remain constant
10	Land as used in economics	A. is a free gift of nature B. is unlimited in quantity C. is not hirable D. excludes oceans
11	If the rate of inflation goes up, the real wags of labourers will :	A. Increase B. Decrease C. Remain the same D. Noe of the three
12	$Q_d = 50 - 5P$ people will demand 50 when price of the product is:	A. Very high B. Very low C. Zero D. Unity
13	Which of the following is a producer good	A. pen B. cycle C. mobile phone D. hammer
14	Economic goods produced by firms are called	A. productivity B. innovation C. technological progress D. output
15	How many condition of equilibrium of firm	A. 2 B. 3 C. 4 D. 5

---

16	Reward of which factor of production is not pre-determined?	A. labour B. land C. capital D. organisation
17	A firm decides to shut down production temporarily when	A. MC start rising B. AC start rising C. price = AC D. price falls below AVC
18	Marginal revenue is always less than price at all level of output in	A. perfect competition B. monopoly C. both a and b D. none of the above
19	The extent of market depends upon	A. Means of transport and communication B. Political instability C. Economics instability D. Trade restriction
20	If the supply of land is assumed to be perfectly inelastic which of the following rent will it yield.	A. Scarcity rent B. Differential rent C. Quasi rent D. Scarcity rent

---