

Economics Ics Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	Equilibrium of consumer is explained by	A. negative utility B. positive utility C. marginal utility D. profit
2	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
3	The demand curve is negatively sloped due to	A. Income effect B. Substitution effect C. Price effect D. All the three
4	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
5	The supply curve of day to day market is.	A. Touching the horizontal axis B. Touching the vertical axis C. Perfectly elastic D. Perfectly inelastic
6	$y = 2^x$ is a.	A. Log function B. Linear equation C. Exponential function D. Increasing function
7	The price and sales of sugar both increase. What could be the cause of this?	A. a decrease in the income of the consumers. B. a decrease in the tax on sugar C. An increase in the wages of workers in the sugar industry D. An increase in the price of sugar substitutes
8	Different kinds of imperfect competition are.	A. Monopoly B. Monopolistic competition C. Oligopoly D. All the three
9	The utility of an additional unit of a product is	A. Law of demand B. Law of substitution C. Law of supply D. Law of diminishing marginal utility
10	One of the following is fixed capital.	A. Raw material B. Defence saving certificate C. Machinery D. None of the three
11	If a public limited company issues bonds to increase resources, then it pays	A. fixed premium to bond holders B. fixed interest to bond holders C. fixed tax to bond holders D. fixed profit to bond holders
12	When marginal utility of a product is zero its total utility will be.	A. Increase B. Decreasing C. Maximum D. Constant
13	Validity of economics theories can never be proved with 100 percent certainty, because	A. ceteris paribus clause B. limited number of observation is possible C. very large number of economic theories proved false in the past D. b and c

14	Normal price is a price which prevails	A. In day to day market B. In domestic market C. In the long run market D. In a foreign market
15	In economic capital refers to	A. money B. high quality goods C. trade mark D. machinery and factories
16	The price of an non-economic good is:	A. Very low B. Very high C. Zero D. Negative
17	Marginal revenue products (MRP) curve falls when units of labour	A. Remain constant B. Decrease C. Increase D. None of the three
18	Estimate of Pakistan's population for 2013 is	A. 185 million B. 285 million C. 385 million D. 485 million
19	The demand for a product is inelastic. In order to increase government revenue, the finance minister will :	A. Lower down the tax rate B. Increase the tax rate C. Not change the tax rate D. Double the tax rate
20	Law of diminishing returns is a universal law as:	A. It does apply in all aspects of an economy. B. Basically it applies in agriculture. C. It is hard to check it. D. It applies in industry as well