

## 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 <b>C. marginal utility</b> 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 <b>D. shareholders liability to pay debt of firm cannot exceed value of their investment</b>
3	The demand curve is negatively sloped due to	A. Income effect B. Substitution effect C. Price effect <b>D. All the three</b>
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 <b>D. 25% decrease in quantity demanded</b>
5	The supply curve of day to day market is.	A. Touching the horizontal axis B. Touching the vertical axis C. Perfectly elastic <b>D. Perfectly inelastic</b>
6	$y = 2^x$ is a.	A. Log function B. Linear equation <b>C. Exponential function</b> 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 <b>D. An increase in the price of sugar substitutes</b>
8	Different kinds of imperfect competition are.	A. Monopoly B. Monopolistic competition C. Oligopoly <b>D. All the three</b>
9	The utility of an additional unit of a product is	A. Law of demand <b>B. Law of substitution</b> 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 <b>C. Machinery</b> 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>B. fixed interest to bond holders</b> 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 <b>C. Maximum</b> D. Constant
13	Validity of economics theories can never be proved with 100 percent certainty, because	<b>A. ceteris paribus clause</b> 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