

Economics Ics Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	The basic goal of a firm is to	A. maximize revenues B. maximize employees' welfare C. maximize profit D. maximize output
2	To reduce unemployment the govt. may	A. reduce money supply B. reduce mobility of labour C. reduce minimum wages D. increase government spending
3	Equilibrium price of a product is determined by:	A. The government B. An industrialist C. Market competition D. An agriculturist
4	When the percentage change in quantity demanded is greater than the percentage change in price, elasticity of demand for the product will be.	A. Equal to unity B. Less than unity C. Greater than unity D. Equal to zero
5	Which of the following is <i>NOT</i> capital as economists use the term	A. an office building B. machinery in a factory C. an industrial robot D. money
6	One or more persons living together and having a common budget is called	A. union B. organisation C. household D. house members
7	One of the following is not a characteristics of economic laws.	A. Economic laws lack exactitude B. Economic laws lack predictability C. They are not universal! D. They are not optional
8	Money wages are also called	A. Nominal Wages B. Real wages C. Gross wages D. Net wages
9	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
10	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
11	Wealth of nations	A. is another name for united nations B. is name of a book C. indicates total wealth of rich countries D. contains formulas to earn wealth
12	$3x^2=0$ is an equation	A. linear B. quadratic C. general D. first degree
13	In law of diminishing returns at least one factor	A. must be constant B. must be owned by the firm C. must be purchasable D. must be efficient
14	Law of substitution is another name for	A. law of diminishing MU B. law of equi-MU C. law of demand D. law of satisfaction
15	Marginal land or no rent land is the land which:	A. Covers the cost of productions only B. Determines rent of the

15	marginal land or the best land is the land which:	superiorlands C. Both a & b D. None of the three
16	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
17	The human effort applied to the production of goods is called in economics	A. labour B. skill C. experience D. services
18	To show data in tables, we must first	A. reduce data B. expand data C. classify data D. all of the above
19	$y = 2^x$ is a.	A. Log function B. Linear equation C. Exponential function D. Increasing function
20	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