

## Economics Ics Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	It is most suitable for large scale business	A. proprietorship B. partnership C. corporation D. cooperative society
2	A firm maximizes profit of	A. $MRP = \text{wage rate}$ B. $MRP = ARP$ C. $MRP$ is rising D. $TRP = \text{wages}$
3	Marginal revenue of a monopolist is	A. equal to price B. greater than price C. less than price D. increases with output
4	If elasticity of demand is very low it shows that the commodity is	A. a necessity B. a luxury C. has little importance in total budget D. a and c above
5	All non materials products which can satisfy human wants are called.	A. Economic goods B. Services C. Non-economics goods D. Services
6	The set of skills and abilities that workers possess for production of goods and serves is	A. motivation B. wealth C. human capital D. natural talent
7	Normally MR curve intersects MC curve at points	A. 1 B. 2 C. 3 D. 4
8	With a fixed in the market period, if the demand of a product rises, then:	A. Price will fall B. Price will rise C. Price will remain the same D. None of the three
9	One of the following is not an assumption of the Ricardian theory of rent.	A. Lands are cultivated in sequence B. All lands are homogeneous C. All units of labour are identical D. There are original and indistinctive powers of soils
10	Economics laws are	A. exact B. approximate C. brief D. definite
11	We establish _____ conditions for equilibrium	A. 2 B. 3 C. 4 D. 5
12	Law of decreasing returns generates	A. law of economic growth B. law of increasing costs C. law of variable costs D. law of decreasing costs
13	In monopoly and perfect competition the cost curves are	A. similar B. different C. opposite D. falling in competition rising in monopoly
14	If price is set above equilibrium level, there will be	A. surplus commodity in the market B. shortage of commodity in the market C. supply curve will shift D. demand curve will shift

15 Every factor of production gets reward equal to its   
A. cost  
B. marginal product  
C. price  
D. increasing return

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16 Price and demand are positively correlated in case of   
A. necessities  
B. comforts  
C. Giffen goods  
D. Luxuries

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17 The most efficient scale of production of a firm is where   
A. LAC is minimum  
B. SAC is minimum  
C. LMC is minimum  
D. SMC is minimum

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18 The demand of a will expand when:   
A. Other things do not remain constant.  
B. Price of the products changes.  
C. Value of money falls.  
D. None of the three

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19 The supply of labour is based on the trade off between leisure and   
A. wealth  
B. work  
C. wages  
D. price of product

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20 Normally a demand curve will have the shape   
A. horizontal  
B. vertical  
C. downward sloping  
D. upward sloping