

Economics Ics Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	The method to measure the elasticity of demand by the unitary method was introduced by.	A. Alfred Marshall B. Robbins C. Adam Smith D. Malthus
2	If price changes by one % and supply changes by 2% then supply is	A. elastic B. inelastic C. indeterminate D. static
3	When total product falls, marginal product is.	A. Zero B. Positive C. Negative D. Falling
4	At the point of equilibrium of firm under perfect competition	A. MC curve must be rising B. MC curve must be falling C. MR curve must be rising D. MR curve must be falling
5	Market demand curve is a summation of all individual demand curves as	A. Vertical B. horizontal C. mathematical D. local
6	Every factor of production gets reward equal to its	A. cost B. marginal product C. price D. increasing return
7	TC	A. rises continuously B. falls then rises C. is horizontal to x-axis D. is parallel to y-axis
8	Gross profit includes	A. monopoly profit B. pure profit C. windfall profit D. all of the above
9	In production of goods, negative returns in the short run imply that	A. average product is negative B. total product is negative C. marginal product is negative D. marginal cost is falling
10	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
11	the term marginal in economics means	A. unimportant B. additional C. the minimum unit D. just barely passing
12	The transformation of resources into economic goods and services is called	A. technical efficiency B. input C. production D. increasing returns
13	Which is NOT an advantage of division of labour	A. workers spend less time moving from job to job B. workers becomes dependent on other workers C. workers become more efficient at performing repeated task D. machinery is more easily introduced to perform simple tasks
14	$y = 20-5x$ this function is.	A. Increasing function B. Decreasing function C. Constant function D. Exponential function

- 15 The cost which a firm incurs for purchasing or hiring factors is called
A. implicit
B. explicit
C. real
D. basic
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- 16 A firm attains sub-normal profit when:
A. $AR = AC$
B. $AR < AC$
C. $AR > AC$
D. $TR < TC$
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- 17 Cross elasticity of Suzuki and Honda cars will be
A. Positive
B. negative
C. zero
D. infinite
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- 18 Mobility of labour
A. increases efficiency of labour
B. decreases wages of labour
C. increases division of labour
D. a and c of above
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- 19 The production function relates to
A. cost of output
B. cost of input
C. output to input
D. demand to output
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- 20 Joint stock company is managed and run by a
A. Board of Directors
B. Shareholders
C. Accountant
D. None of these