

Economics Ics Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	Buyers and sellers under perfect competition are.	A. The same in number B. Large in number C. Small in number D. None of the above
2	Economic goods produced by firms are called	A. productivity B. innovation C. technological progress D. output
3	The method to measure the elasticity of demand is :	A. Percentage method B. Total outlay approach C. Geometric approach D. All the three
4	Extension of supply will take place as a consequence of:	A. Change in price B. Change in population C. Change in technology D. Change in money supply
5	How many functions of capital	A. 6 B. 5 C. 4 D. 7
6	Productivity of labour can be increased by	A. raising minimum wages B. reducing profits C. increasing skills of workers D. punishing absentee workers
7	Gross profit does NOT include	A. rent of his own land B. interest of his own capital C. pure profit D. taxes
8	The transformation of resources into economic goods and services is	A. input B. production C. entrepreneur D. market
9	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
10	A monopoly firm is in equilibrium when	A. MC intersects AC B. MC intersect MR C. AC intersects AR D. TC intersects TR
11	Products A and B are substitutes whereas A and C are complements. With a rise in the price of product A, quantity demand of:	A. Product B will go up B. Product will fall C. Both the above will take place D. Nothing will take place
12	Which type of problems are brought under discussion in micro economics .	A. Consumer's behaviour B. International trade C. Balance of payment D. Public finance
13	In Pakistan rate of labour participation is	A. 13% B. 23% C. 33% D. 43%
14	The following affect rent EXCEPT	A. better location B. fertility of land C. cleverness of landlords D. scarcity of land
15	Economics	A. is more important than mathematics B. is a social science C. should be made compulsory for

		every student D. is difficult to study
16	In the business world	A. a firm working under perfect competition wants to become a monopoly B. a firm working under monopoly wants to become a competitive firm C. monopoly price is always higher than competitive price D. competitive price is always higher than monopoly price
17	Interest is paid because	A. capital is scarce B. capital is productive C. capital is attractive D. a and b of above
18	Which of the following is a demand function?	A. $Q + 4P = 20$ B. $Q = 35 + 3P$ C. $Q - 2P - 15 = 0$ D. $5P - Q = 4$
19	The extent of market depends upon	A. Means of transport and communication B. Political instability C. Economics instability D. Trade restriction
20	The cost which a firm incurs for purchasing or hiring factors is called	A. implicit B. explicit C. real D. basic