

Economics Ics Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	How many Kinds of variables?	A. There are many kinds of variables B. There are 2 kinds of variables C. There are 3 kinds of variables D. There are 4 kinds of variables
2	When MP is zero, TP is	A. minimum B. maximum C. rising D. falling
3	The demand curve slopes downward from left to right because of:	A. Income effect B. Substitution effect C. Entry of new buyers D. All of the above
4	A factory is an example of	A. capital B. natural resources C. entrepreneurship D. none of the above
5	A firm decides to shut down production temporarily when	A. MC start rising B. AC start rising C. price = AC D. price falls below AVC
6	The maintain social status in life, a person requires.	A. Bare necessities of life B. Comforts of life C. Luxuries of life D. All of them
7	Which one can cause a change in demand	A. change in income B. change in supply C. change in tastes D. a and c of above
8	Land, labour and capital are needed to produce goods. They are collectively called	A. elements of production B. factors of production C. tools of production D. cost of production
9	Which statement is true	A. $ATC + AVC = AFC$ B. $ATC + MC = AFC$ C. $ATC + AFC = AVC$ D. $AFC + AVC = ATC$
10	Minimum wage rate of labour is fixed by :	A. Government B. Trade unions C. Entrepreneurs D. Labourers
11	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 indeductible powers of soils
12	Long period supply curve is	A. relatively flatter B. relatively steeper C. more elastic D. a and c of above
13	The kind of market is undesirable	A. general market B. specialized market C. local market D. monopoly market
14	All factors of production are substitutable with each other. it is held by:	A. Wicksteed B. Hicks C. Pareto
15	A group of buyers and sellers that exchange a goods or services at a price are called	A. Market B. Commodity C. Place D. None of these

16	One of the following does not represent imperfect competition.	<p>A. Day to day market</p> <p>B. Monopoly</p> <p>C. Duopoly</p> <p>D. Monopolistic Competition</p>
17	Which one is the third stage of production under law of variable proportions	<p>A. Decreasing average returns</p> <p>B. Increasing average return</p> <p>C. Negative marginal return</p> <p>D. Increasing marginal return</p>
18	Which of the following is capital	<p>A. toy of a child</p> <p>B. plough of the farmer</p> <p>C. calculator of the student</p> <p>D. novel book in the library</p>
19	Which is NOT an advantage of division of labour	<p>A. workers spend less time moving from job to job</p> <p>B. workers becomes dependent on other workers</p> <p>C. workers become more efficient at performing repeated task</p> <p>D. machinery is more easily introduced to perform simple tasks</p>
20	Normal profit is called normal because	<p>A. it is neither very high nor very low</p> <p>B. it is minimum acceptable to the producer</p> <p>C. it is minimum which buyer wants to pay</p> <p>D. it is maximum allowed by govt.</p>