

Economics Ics Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	Which of the following is example of external economies of scale?	<p>A. Discount on purchases of raw materials</p> <p>B. Technical progress leads to development of machines at low price</p> <p>C. Hiring of specialized staff due to increase in scale of production</p> <p>D. A firm starts producing by products</p>
2	He said interest is payment for use of money	<p>A. Adam Smith</p> <p>B. Ricardo</p> <p>C. Keynes</p> <p>D. Marshall</p>
3	The total quantity of a commodity available in or near the market which can be brought for sale at a short notice	<p>A. Stock</p> <p>B. Supply</p> <p>C. Demand</p> <p>D. None of these</p>
4	Which on of the following represents fixed cost:	<p>A. Price of raw material</p> <p>B. Wages</p> <p>C. Interests on loan</p> <p>D. Rent of land</p>
5	The utility of durable consumer goods.	<p>A. Diminishes with the passage of time</p> <p>B. Perishes, if not used</p> <p>C. Can be obtained constantly</p> <p>D. None of the three</p>
6	Extent of market mainly depends upon.	<p>A. Availability of means of transport and communication</p> <p>B. Nature of supply</p> <p>C. Government restriction</p> <p>D. Perishable goods</p>
7	Land is mobile factor of production.	<p>A. Not mobile</p> <p>B. Mobile by the transfer ownership</p> <p>C. Geographically mobile</p> <p>D. Mobile vertically</p>
8	Land means	<p>A. sea</p> <p>B. surface of earth</p> <p>C. natural forests</p> <p>D. all natural resources</p>
9	Everyone should study economics is a	<p>A. positive statement</p> <p>B. normative statement</p> <p>C. true statement</p> <p>D. nonsense</p>
10	An entrepreneur is a person who performs the dual function of risk-taking and control. This is the definition of	<p>A. Prof. Knight</p> <p>B. Prof. Marshall</p> <p>C. Prof. Robbins</p> <p>D. Prof. Knees</p>
11	Capital formation takes place when	<p>A. people save a part of their incomes</p> <p>B. saved amount is invested</p> <p>C. investors expect good return</p> <p>D. all of the three</p>
12	Normally MR curve intersects MC curve at points	<p>A. 1</p> <p>B. 2</p> <p>C. 3</p> <p>D. 4</p>
13	Diminishing marginal utility is the basis of	<p>A. law of supply</p> <p>B. law of demand</p> <p>C. laws of returns</p> <p>D. none of the above</p>
14	Which one of the following is a day to day market.	<p>A. The market of perishable goods</p> <p>B. The market of refrigerators</p> <p>C. The market of stationary</p>

		D. None of the three
15	In the second stage of the law of variable of proportions the average product:	A. Rises B. Remains constant C. Falls D. None of the three
16	$y = 20 - 5x$ this function is.	A. Increasing function B. Decreasing function C. Constant function D. Exponential function
17	Which is true	A. labour produces land B. land produces labour C. labour produces capital D. capital produces labour
18	$x^2 - y^2 = 10$ This function can be termed as .	A. Expicit function B. Implicit function C. Linear function D. Constant function
19	Which one of the following is a functional equation of demand:	A. $Q - 20 + 2P = 0$ B. $Q - 3 - 3P = 0$ C. $Q + -2P = 0$ D. None of the three
20	Price of a product is determined in a free market	A. by demand for the product B. by supply of the product C. by both demand and supply D. by the government