

Principles of Economics Icom Part 1 English Medium Chapter 4 Online Test

Sr	Questions	Answers Choice
1	Number of factors of production is	A. One B. Two C. Three D. Four
2	Perfectly inelastic supply curve is:	A. Vertical B. Rise upward C. Horizontal D. Fall downward
3	The factor which is needed to produce goods by the combination of land, labour and capital is called	A. Land B. Labour C. Capital D. Organization
4	Stock means the quantity:	A. Sold in market B. Which is offered for sale C. Which exist in warehouse D. Of total production
5	In modern term, factors of production are called	A. Inputs B. Productive services C. Inputs and productive services D. Production of goods and services
6	When price increases, supply:	A. Contracts B. Expands C. Remains fixed D. Becomes zero
7	In case of horizontal supply curve, Es is:	A. Mero than unity B. Less than unity C. Zero D. Infinite
8	If 30% change in supply in response to 50% change in price then:	A. Es = 0 B. Es = 1 C. Es > 1 D. Es < 1
9	Production of a commodity depends upon four factors of production i.e. land, labour, capital and organization	A. According to classical economists B. According to Neo classical economists C. According to modern economists D. According to Austrian school of thought
10	If price increases but supply remains constant, it is called:	A. Fall in supply B. Contraction in supply C. Expansion in supply D. Rise in supply
11	Second factor of production is	A. Land B. Labour C. Capital D. Organization
12	Organization means an individual or institution which with optimum factor combination	A. Lays foundation of business always earning profit B. Lays foundation of business but does not accept the responsibility of profit and loss C. Lays foundation of business but accepts the responsibility of profit and loss D. Serves as a manger in the business and receives remuneration
13	One of the following is not included in the characteristics of labour	A. Labour and labourer cannot be separated B. Labour can be stored C. Labour has limited mobility D. Supply of labour is inelastic
		A. Land

14	Which factor can not be stored	B. Labour C. Capital D. Organization
15	Quantity of a commodity which is offered for sale in a market is called:	A. Trade B. Supply C. Demand D. Stock
16	The factor of production which is used to produce more wealth or increase income is called	A. Land B. Labour C. Capital D. Organization
17	The relationship between price and quantity supplied is:	A. Inverse B. Positive C. Infinite D. Zero
18	One of the following is not included in labour	A. Teaching of a teacher in a school B. Working of a clerk in an office C. To follow a case by a lawyer D. To look after the child by his mother
19	Third factor of production is called	A. land B. labour C. capital D. organization
20	One of the following is not called land	A. Rain B. Mountain C. Forests D. Mangla Dam