

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

Sr	Questions	Answers Choice
1	Which factor can not be stored	A. Land B. Labour C. Capital D. Organization
2	River, sea, forests, rain are called	A. Land B. Labour C. Capital D. Organization
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	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
5	If quantity supplied changed in response to change in price, is known as:	A. Ed B. Es C. More Elastic D. Less Elastic
6	Third factor of production is called	A. land B. labour C. capital D. organization
7	Second factor of production is	A. Land B. Labour C. Capital D. Organization
8	Mental or physical work undertaken for reward by human being is called	A. Land B. Labour C. Capital D. Organization
9	The most important and basic factor of production is	A. Land B. Labour C. Capital D. Organization
10	If price decreases but supply remains constant, it is called:	A. Fall in supply B. Contraction in supply C. Expansion in supply D. Rise in supply
11	Factor of production which is used to earn more income, is called	A. Land B. Labour C. Capital D. Organization
12	If the rate of change in price and quantity supplied is equal then:	A. $Es = 0$ B. $Es = 1$ C. $Es > 1$ D. $Es < 1$
13	Immortal factor production is	A. Land B. Labour C. Capital D. Organization
14	If 50% change in supply in response to 50% change in price then:	A. $Es = 0$ B. $Es = 1$ C. $Es > 1$ D. $Es < 1$
15	If price increases but supply remains constant, it is called:	A. Fall in supply B. Contraction in supply C. Expansion in supply

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16 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 manager in the business and receives remuneration

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17 All the factors of production can be hired except

A. Land  
B. Labour  
C. Capital  
**D. Organization**

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18 The relationship between price and quantity supplied is:

A. Inverse  
**B. Positive**  
C. Infinite  
D. Zero

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19 One of the following is not called land

A. Rain  
B. Mountain  
C. Forests  
**D. Mangla Dam**

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20 As factor of production, river and sea are called

**A. Land**  
B. Labour  
C. Capital  
D. Organization

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