

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

Sr	Questions	Answers Choice
1	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
2	As factor of production, river and sea are called	A. Land B. Labour C. Capital D. Organization
3	Third factor of production is called	A. land B. labour C. capital D. organization
4	In modern term, factors of production are called	A. Inputs B. Productive services C. Inputs and productive services D. Production of goods and services
5	Immortal factor production is	A. Land B. Labour C. Capital D. Organization
6	River, sea, forests, rain are called	A. Land B. Labour C. Capital D. Organization
7	Number of factors of production is	A. One B. Two C. Three D. Four
8	Factor of production which is used to earn more income, is called	A. Land B. Labour C. Capital D. Organization
9	One of the following is not included in the characteristics of land	A. Land is a gift of nature B. All the pieces of land are not equal infertility C. Productive capacity of land is limited D. Supply of land is unlimited
10	Which factor can not be stored	A. Land B. Labour C. Capital D. Organization
11	In economics, every mental or physical struggle undertaken for reward, is called	A. Land B. Labour C. Capital D. Organization
12	Free gift of nature is	A. Land B. Labour C. Capital D. Organization
13	Blessings like air, rain existing on land are included in factor of production	A. Labour or human resources B. Capital or monetary resources C. Land or natural resources D. Organisation
14	If price increases but supply remains constant. it is called:	A. Fall in supply B. Contraction in supply

	When price increases and supply remains constant, the demand	C. Expansion in supply D. Rise in supply
15	In case of horizontal supply curve, Es is:	A. More than unity B. Less than unity C. Zero D. Infinite
16	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
17	Stock means the quantity:	A. Sold in market B. Which is offered for sale C. Which exist in warehouse D. Of total production
18	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
19	One of the following is not called land	A. Rain B. Mountain C. Forests D. Mangla Dam
20	When supply increases due to rise price, it is called:	A. Fall in supply B. Contraction in supply C. Expansion in supply D. Rise in supply