

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

Sr	Questions	Answers Choice
1	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
2	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
3	All the factors of production can be hired except	A. Land B. Labour C. Capital D. Organization
4	Mental or physical work undertaken for reward by human being is called	A. Land B. Labour C. Capital D. Organization
5	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
6	Which factor has no pre-determined reward	A. Land B. Labour C. Capital D. Organization
7	Third factor of production is called	A. land B. labour C. capital D. organization
8	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
9	Which factor can not be stored	A. Land B. Labour C. Capital D. Organization
10	One of the following is not called land	A. Rain B. Mountain C. Forests D. Mangla Dam
11	Second factor of production is	A. Land B. Labour C. Capital D. Organization
12	When price increases, supply:	A. Contracts B. Expands C. Remains fixed D. Becomes zero
13	If quantity supplied changed in response to change in price, is known as:	A. Ed B. Es C. More Elastic D. Less Elastic
14	Factor of production which is used to earn more income, is called	A. Land B. Labour C. Capital

		D. Organization
15	The relationship between price and quantity supplied is:	A. Inverse B. Positive C. Infinite D. Zero
16	The most important and basic factor of production is	A. Land B. Labour C. Capital D. Organization
17	Which factor is oldest and basic factor of production	A. Land B. Labour C. Capital D. Organization
18	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
19	River, sea, forests, rain are called	A. Land B. Labour C. Capital D. Organization
20	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