

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

Sr	Questions	Answers Choice
1	Second factor of production is	A. Land B. Labour C. Capital D. Organization
2	When supply decreases due to fall in price, it is called:	A. Fall in supply B. Contraction in supply C. Expansion in supply D. Rise in supply
3	Which factor can not be stored	A. Land B. Labour C. Capital D. Organization
4	If quantity supplied changed in response to change in price, is known as:	A. Ed B. Es C. More Elastic D. Less Elastic
5	In case of horizontal supply curve, Es is:	A. Mero than unity B. Less than unity C. Zero D. Infinite
6	Stock means the quantity:	A. Sold in market B. Which is offered for sale C. Which exist in warehouse D. Of total production
7	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
8	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
9	Mental or physical work undertaken for reward by human being is called	A. Land B. Labour C. Capital D. Organization
10	When price increases, supply:	A. Contracts B. Expands C. Remains fixed D. Becomes zero
11	Causes of shifting in supply curve is:	A. Change in technique B. Change in cost C. Change in tax D. All of them
12	The relationship between price and quantity supplied is:	A. Inverse B. Positive C. Infinite D. Zero
13	Supply curve slope is:	A. Positive B. Vertical C. Negative D. Horizontal
14	Which factor has no pre-determined reward	A. Land 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	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
17	When price decreases, supply:	A. Contracts B. Expands C. Remains fixed D. Becomes zero
18	Fourth factor of production is called	A. Land B. Labour C. Capital D. Organization
19	All the factors of production can be hired except	A. Land B. Labour C. Capital D. Organization
20	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