

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

Sr	Questions	Answers Choice
1	Perfectly inelastic supply curve is:	A. Vertical B. Rise upward C. Horizontal
2	In modern term, factors of production are called	D. Fall downward A. Inputs B. Productive services C. Inputs and productive services D. Production of goods and services
3	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
4	Mental or physical work undertaken for reward by human being is called	A. Land B. Labour C. Capital D. Organization
5	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
6	One of the following is not called land	A. Rain B. Mountain C. Forests D. Mangla Dam
7	When price decreases, supply:	A. Contracts B. Expands C. Remains fixed D. Becomes zero
8	Which factor has no pre-determined reward	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	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
11	Immortal factor production is	A. Land B. Labour C. Capital D. Organization
12	Quantity of a commodity which is offered for sale in a market is called:	A. Trade B. Supply C. Demand D. Stock
13	The most important and basic factor of production is	A. Land B. Labour C. Capital D. Organization
14	Second factor of production is	A. Land B. Labour C. Capital D. Organization

15	Causes of shifting in supply curve is:	A. Change in technique B. Change in cost C. Change in tax D. All of them
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 o 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
17	If an entrepreneur does service, in economics it is called	A. Organization B. Discipline C. Labour D. Wage
18	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
19	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
20	The factor of production which is used to produce more wealth or increase income is called	A. Land B. Labour C. Capital D. Organization