

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

Sr	Questions	Answers Choice
1	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
2	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
3	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
4	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
5	Causes of shifting in supply curve is:	A. Change in technique B. Change in cost C. Change in tax D. All of them
6	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
7	The relationship between price and quantity supplied is:	A. Inverse B. Positive C. Infinite D. Zero
8	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
9	In modern term, factors of production are called	A. Inputs B. Productive services C. Inputs and productive services D. Production of goods and services
10	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
11	Factor of production which is used to earn more income, is called	A. Land B. Labour C. Capital D. Organization
12	Cannot be separated from labourer	A. Land B. Labour C. Capital D. Organization
13	Which factor is oldest and basic factor of production	A. Land B. Labour C. Capital D. Organization
14	Stock means the quantity:	A. Sold in market B. Which is offered for sale C. Which exist in warehouse D. Offered for sale

D. Or total production

15	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
16	Supply curve slope is:	A. Positive B. Vertical C. Negative D. Horizontal
17	Fourth factor of production is called	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	Quantity of a commodity which is offered for sale in a market is called:	A. Trade B. Supply C. Demand D. Stock
20	Which factor has no pre-determined reward	A. Land B. Labour C. Capital D. Organization