

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

Sr	Questions	Answers Choice
1	As factor of production, river and sea are called	A. Land B. Labour C. Capital D. Organization
2	Immortal factor production is	A. Land B. Labour C. Capital D. Organization
3	In case of horizontal supply curve, E_s is:	A. More than unity B. Less than unity C. Zero D. Infinite
4	One of the following is not included in the characteristics of labour	A. Labour and labourer cannot be separated B. Labour can be stored C. Labour has limited mobility D. Supply of labour is inelastic
5	Perfectly inelastic supply curve is:	A. Vertical B. Rise upward C. Horizontal D. Fall downward
6	Which factor is oldest and basic factor of production	A. Land B. Labour C. Capital D. Organization
7	If the rate of change in price and quantity supplied is equal then:	A. $E_s = 0$ B. $E_s = 1$ C. $E_s > 1$ D. $E_s < 1$
8	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
9	The factor of production which is used to produce more wealth or increase income is called	A. Land B. Labour C. Capital D. Organization
10	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
11	If an entrepreneur does service, in economics it is called	A. Organization B. Discipline C. Labour D. Wage
12	The relationship between price and quantity supplied is:	A. Inverse B. Positive C. Infinite D. Zero
13	Tractor, harvester, thrasher etc are the examples of factor of production	A. Land B. Labour C. Capital D. Organization
14	Free gift of nature is	A. Land B. Labour C. Capital D. Organization

15	River, sea, forests, rain are called	B. Labour C. Capital D. Organization
16	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
17	Which factor can not be stored	A. Land B. Labour C. Capital D. Organization
18	One of the following is not called land	A. Rain B. Mountain C. Forests D. Mangla Dam
19	Quantity of a commodity which is offered for sale in a market is called:	A. Trade B. Supply C. Demand D. Stock
20	Factor of production which is used to earn more income, is called	A. Land B. Labour C. Capital D. Organization