

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

Sr	Questions	Answers Choice
1	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
2	If quantity supplied changed in response to change in price, is known as:	A. Ed B. Es C. More Elastic D. Less Elastic
3	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
4	Tractor, harvester, thrasher etc are the examples of factor of production	A. Land B. Labour C. Capital D. Organization
5	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
6	In economics, every mental or physical struggle undertaken for reward, is called	A. Land B. Labour C. Capital D. Organization
7	In modern term, factors of production are called	A. Inputs B. Productive services C. Inputs and productive services D. Production of goods and services
8	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
9	The factor which is needed to produce goods by the combination of land, labour and capital is called	A. Land B. Labour C. Capital D. Organization
10	Which factor is oldest and basic factor of production	A. Land B. Labour C. Capital D. Organization
11	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
12	Perfectly inelastic supply curve is:	A. Vertical B. Rise upward C. Horizontal D. Fall downward
13	Stock means the quantity:	A. Sold in market B. Which is offered for sale C. Which exist in warehouse D. Of total production
14	If an entrepreneur does service, in economics it is called	A. Organization B. Discipline C. Labour D. Wage
15	Free gift of nature is	A. Land B. Labour C. Capital

		D. Organization
16	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
17	The most important and basic factor of production is	A. Land B. Labour C. Capital D. Organization
18	River, sea, forests, rain are called	A. Land B. Labour C. Capital D. Organization
19	In case of horizontal supply curve, Es is:	A. Mero than unity B. Less than unity C. Zero D. Infinite
20	When price decreases, supply:	A. Contracts B. Expands C. Remains fixed D. Becomes zero