

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

Sr	Questions	Answers Choice
1	In case of horizontal supply curve, Es is:	A. Mero than unity B. Less than unity C. Zero D. Infinite
2	If an entrepreneur does service, in economics it is called	A. Organization B. Discipline C. Labour D. Wage
3	Number of factors of production is	A. One B. Two C. Three D. Four
4	Quantity of a commodity which is offered for sale in a market is called:	A. Trade B. Supply C. Demand D. Stock
5	Which factor can not be stored	A. Land B. Labour C. Capital D. Organization
6	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
7	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
8	Stock means the quantity:	A. Sold in market B. Which is offered for sale C. Which exist in warehouse D. Of total production
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	Supply curve slope is:	A. Positive B. Vertical C. Negative D. Horizontal
11	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
12	Fourth factor of production is called	A. Land B. Labour C. Capital D. Organization
13	As factor of production, river and sea are called	A. Land B. Labour C. Capital D. Organization
14	All the factors of production can be hired except	A. Land B. Labour C. Capital

D. Organization

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- 15 The relationship between price and quantity supplied is:
- A. Inverse
  - B. Positive
  - C. Infinite
  - D. Zero
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- 16 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
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- 17 If 30% change in supply in response to 50% change in price then:
- A.  $E_s = 0$
  - B.  $E_s = 1$
  - C.  $E_s > 1$
  - D.  $E_s < 1$
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- 18 When price increases, supply:
- A. Contracts
  - B. Expands
  - C. Remains fixed
  - D. Becomes zero
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- 19 In economics, every mental or physical struggle undertaken for reward, is called
- A. Land
  - B. Labour
  - C. Capital
  - D. Organization
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- 20 Which factor is oldest and basic factor of production
- A. Land
  - B. Labour
  - C. Capital
  - D. Organization
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