

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

| Sr | Questions                                                                                  | Answers Choice                                                                                                                              |
|----|--------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|
| 1  | The most important and basic factor of production is                                       | A. Land<br>B. Labour<br>C. Capital<br>D. Organization                                                                                       |
| 2  | Perfectly inelastic supply curve is:                                                       | A. Vertical<br>B. Rise upward<br>C. Horizontal<br>D. Fall downward                                                                          |
| 3  | River, sea, forests, rain are called                                                       | A. Land<br>B. Labour<br>C. Capital<br>D. Organization                                                                                       |
| 4  | The factor of production which is used to produce more wealth or increase income is called | A. Land<br>B. Labour<br>C. Capital<br>D. Organization                                                                                       |
| 5  | If price decreases but supply remains constant, it is called:                              | A. Fall in supply<br>B. Contraction in supply<br>C. Expansion in supply<br>D. Rise in supply                                                |
| 6  | Which factor has no pre-determined reward                                                  | A. Land<br>B. Labour<br>C. Capital<br>D. Organization                                                                                       |
| 7  | In case of horizontal supply curve, Es is:                                                 | A. More than unity<br>B. Less than unity<br>C. Zero<br>D. Infinite                                                                          |
| 8  | Immortal factor production is                                                              | A. Land<br>B. Labour<br>C. Capital<br>D. Organization                                                                                       |
| 9  | If the rate of change in price and quantity supplied is equal then:                        | A. Es = 0<br>B. Es = 1<br>C. Es > 1<br>D. Es < 1                                                                                            |
| 10 | One of the following is not called land                                                    | A. Rain<br>B. Mountain<br>C. Forests<br>D. Mangla Dam                                                                                       |
| 11 | Second factor of production is                                                             | A. Land<br>B. Labour<br>C. Capital<br>D. Organization                                                                                       |
| 12 | If 50% change in supply in response to 50% change in price then:                           | A. Es = 0<br>B. Es = 1<br>C. Es > 1<br>D. Es < 1                                                                                            |
| 13 | One of the following is not included in the characteristics of labour                      | A. Labour and labourer cannot be separated<br>B. Labour can be stored<br>C. Labour has limited mobility<br>D. Supply of labour is inelastic |
| 14 | Cannot be separated from labourer                                                          | A. Land<br>B. Labour<br>C. Capital<br>D. Organization                                                                                       |
| 15 | When supply increases due to rise price, it is called:                                     | A. Fall in supply<br>B. Contraction in supply<br>C. Expansion in supply<br>D. Rise in supply                                                |

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| 16 | If an entrepreneur does service, in economics it is called                | A. Organization<br>B. Discipline<br>C. Labour<br>D. Wage                                                        |
| 17 | As factor of production, river and sea are called                         | A. Land<br>B. Labour<br>C. Capital<br>D. Organization                                                           |
| 18 | Fourth factor of production is called                                     | A. Land<br>B. Labour<br>C. Capital<br>D. Organization                                                           |
| 19 | In modern term, factors of production are called                          | A. Inputs<br>B. Productive services<br>C. Inputs and productive services<br>D. Production of goods and services |
| 20 | Tractor, harvester, thrasher etc are the examples of factor of production | A. Land<br>B. Labour<br>C. Capital<br>D. Organization                                                           |