

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

Sr	Questions	Answers Choice
1	Number of factors of production is	A. One B. Two C. Three D. Four
2	Factor of production which is used to earn more income, is called	A. Land B. Labour C. Capital D. Organization
3	In modern term, factors of production are called	A. Inputs B. Productive services C. Inputs and productive services D. Production of goods and services
4	The most important and basic factor of production is	A. Land B. Labour C. Capital D. Organization
5	Second factor of production is	A. Land B. Labour C. Capital D. Organization
6	Third factor of production is called	A. land B. labour C. capital D. organization
7	Fourth factor of production is called	A. Land B. Labour C. Capital D. Organization
8	Tractor, harvester, thrasher etc are the examples of factor of production	A. Land B. Labour C. Capital D. Organization
9	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
10	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
11	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
12	One of the following is not called land	A. Rain B. Mountain C. Forests D. Mangla Dam
13	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

14	One of the following is not included in labour	A. Teaching of a teacher in a school B. Working of a clerk in an office C. To follow a case by a lawyer D. To look after the child by his mother
15	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
16	If an entrepreneur does service, in economics it is called	A. Organization B. Discipline C. Labour D. Wage
17	River, sea, forests, rain are called	A. Land B. Labour C. Capital D. Organization
18	Free gift of nature is	A. Land B. Labour C. Capital D. Organization
19	Mental or physical work undertaken for reward by human being is called	A. Land B. Labour C. Capital D. Organization
20	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
21	Which factor can not be stored	A. Land B. Labour C. Capital D. Organization
22	Cannot be separated from labourer	A. Land B. Labour C. Capital D. Organization
23	As factor of production, river and sea are called	A. Land B. Labour C. Capital D. Organization
24	In economics, every mental or physical struggle undertaken for reward, is called	A. Land B. Labour C. Capital D. Organization
25	Immortal factor production is	A. Land B. Labour C. Capital D. Organization
26	The factor of production which is used to produce more wealth or increase income is called	A. Land B. Labour C. Capital D. Organization
27	All the factors of production can be hired except	A. Land B. Labour C. Capital D. Organization
28	Which factor has no pre-determined reward	A. Land B. Labour C. Capital D. Organization
29	Which factor is oldest and basic factor of production	A. Land B. Labour C. Capital D. Organization
30	Quantity of a commodity which is offered for sale in a market is called:	A. Trade B. Supply C. Demand D. Stock
		A. Positive B. Vertical

31	Supply curve slope is:	B. Vertical C. Negative D. Horizontal
32	Stock means the quantity:	A. Sold in market B. Which is offered for sale C. Which exist in warehouse D. Of total production
33	The relationship between price and quantity supplied is:	A. Inverse B. Positive C. Infinite D. Zero
34	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
35	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
36	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
37	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
38	When price decreases, supply:	A. Contracts B. Expands C. Remains fixed D. Becomes zero
39	When price increases, supply:	A. Contracts B. Expands C. Remains fixed D. Becomes zero
40	If quantity supplied changed in response to change in price, is known as:	A. Ed B. Es C. More Elastic D. Less Elastic
41	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. $E_s < 1$
42	If 50% change in supply in response to 50% change in price then:	A. $E_s = 0$ B. $E_s = 1$ C. $E_s > 1$ D. $E_s < 1$
43	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. $E_s < 1$
44	Causes of shifting in supply curve is:	A. Change in technique B. Change in cost C. Change in tax D. All of them
45	Perfectly inelastic supply curve is:	A. Vertical B. Rise upward C. Horizontal D. Fall downward
46	In case of horizontal supply curve, $E_s$ is:	A. More than unity B. Less than unity C. Zero D. Infinite