

## Economics Ics Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	The supply of labour is based on the trade off between leisure and	A. wealth B. work C. wages D. price of product
2	Fixing of minimum wage	A. raises demand for labour B. raises profits C. causes unemployment D. is welcomed by employers
3	A producer will employ workers up to the point where its MRP becomes	A. ARP B. current wage rate C. negative D. equal to profit
4	The reward of their services cannot be fixed	A. wage earner B. rent receiver C. interest receiver D. profit earner
5	Under marginal productivity theory, reward for labour is determined by	A. owner B. government C. labour D. marginal product
6	Doctors get higher wages than clerks because	A. doctors are in short supply B. doctors have more respect in society C. doctors are organised in trade unions D. people fear doctor's displeasure
7	Standard of living of workers depends upon their	A. nominal wages B. real wages C. average product D. govt. policy
8	Who is unemployed	A. housewife B. college student C. a peer who lives on gifts from mureeds D. a freshly graduated engineer who is searching for a job
9	A firm maximizes profit of	A. MRP = wage rate B. MRP = ARP C. MRP is rising D. TRP = wages
10	The minimum wage is an example of	A. price floor B. price ceiling C. equilibrium wage D. efficiency of labour
11	In which form the largest percentage of national income is earned	A. interest income B. proprietor's income C. employees' income D. rental income
12	Sometimes the supply curve of labour bends	A. downward B. upward C. backward D. firstly upward and then downward
13	Union leaders are in better position bargain for higher wages if demand for labour is	A. elastic B. inelastic C. very large D. permanent
14	In factor market, which statement is true	A. wages are determined by MP B. Rent is fixed by landlords C. interest rate is determined by Govt. D. profit is determined by luck

15	Increasing the minimum wage for workers will	A. solve the unemployment problem B. result in scarcity of workers C. cause substitution of capital for labour D. decreases the MP of those workers
16	One of the following NOT a assumption of the marginal productivity theory	A. units of factor are homogeneous B. mobility of factor C. low price of factor D. perfect competition
17	If marginal product of labour rises because of new technology	A. wages will rise B. wages will fall C. wages will be unaffected D. may raise or fall
18	Why should employ units of a factor to a point where	A. MP is negative B. MP is equal to price of the factor C. MP is positive D. MP is rising
19	Under perfect competition, demand for a factor is its	A. MRP curve B. ARP curve C. TRP curve D. TR - TC
20	Every factor of production gets reward equal to	A. value of average product B. value of marginal product C. value of total product D. total revenue