

Economics Ics Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	Laws of return apply to firms working in	A. perfect competition B. monopoly C. small firm D. all kinds of market situations
2	Economics of scale are of two kinds	A. temporary and permanent B. internal and external C. managerial and industrial D. natural and artificial
3	In law of diminishing returns at least one factor	A. must be constant B. must be owned by the firm C. must be purchasable D. must be efficient
4	Economies of scale	A. occur when increase in input less than proportionate increase in output B. suggest that firm's marginal cost curve lies above its average cost curve C. suggest that the firm's marginal cost curve is declining D. occur when average cost is falling
5	In production of goods, negative returns in the short run imply that	A. average product is negative B. total product is negative C. marginal product is negative D. marginal cost is falling
6	WAPDA is a	A. public corporation B. public company C. private company D. partnership
7	The word "LIMITED" at the end of a firm's name means	A. it produces only commodity B. has limited capital C. cannot have more than 100 members D. shareholders liability to pay debt of firm cannot exceed value of their investment
8	A person who contributes funds in partnership but does not take active part in management of business is called	A. sleeping partner B. helping partner C. temporary partner D. inactive partner
9	A joint stock company has	A. limited liability B. unlimited liability C. limited capital D. unlimited capital
10	If a public limited company issues bonds to increase resources, then it pays	A. fixed premium to bond holders B. fixed interest to bond holders C. fixed tax to bond holders D. fixed profit to bond holders
11	A public corporation comes into existence by means	A. registration under the Companies Act B. Act of parliament C. decision by the shareholders D. registration with the Stock Exchange
12	It is an example of public limited company	A. WAPDA B. President House C. SHELL petroleum D. none of the above
13	Reward of which factor of production is not pre-determined?	A. labour B. land C. capital D. organisation
		A. proprietor of a business

14	They can expand their business by selling shares in the stock market	B. partners of the business C. joint stock company D. industrial cooperative societies
15	A public limited company is run by	A. board of governors B. board of managers C. board of advisor's D. board of directors
16	It is most suitable for large scale business	A. proprietorship B. partnership C. corporation D. cooperative society
17	He prepares the initial plan of the business	A. capitalist B. manager C. entrepreneur D. officer
18	Limited liability is one of the advantages of	A. partnership B. sole proprietor C. joint stock company D. cooperative society
19	Those who invest in joint stock companies are called	A. partners B. shareholders C. members D. associates
20	An entrepreneur is a person who performs the dual function of risk-taking and control. This is the definition of	A. Prof. Knight B. Prof. Marshall C. Prof. Robbins D. Prof. Knees