

Economics Ics Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	Land as used in economics	A. is a free gift of nature B. is unlimited in quantity C. is not hirable D. excludes oceans
2	Economic development of a country requires	A. skilled labour B. diplomacy C. abundant natural resources D. a and c of above
3	Land means	A. sea B. surface of earth C. natural forests D. all natural resources
4	The three broad types of productive resources are	A. money, profit and interest B. capital, labour and natural resources C. labour, stock shares and deposits D. technology, land and markets
5	Labour is hirable but you cannot hire	A. capital B. land C. manager D. entrepreneur
6	Demand and supply forces determine market price	A. only in perfect competition B. only in monopoly market C. in both markets D. none of the above
7	When demand is perfectly elastic, an increase in supply will result in	A. decrease in quantity sold B. increase in quantity sold C. fall in price D. b and c above
8	Demands and supply curves cross at	A. always at 60 degree B. at 90 degree C. at equal angle D. at any angle
9	Markets where firms supply goods and services demanded by households are	A. factor market B. product market C. open markets D. resource markets
10	Market equilibrium means	A. number of buyers and sellers are equal B. demand and supply of commodity are equal C. no price is changing D. prices rise very slowly
11	If equilibrium price rises but equilibrium quantity is unchanged, the cause is	A. supply and demand both increase equally B. supply and demand decrease equally C. supply curve is vertical and demand increases D. supply increases and demand is same
12	If price is set above equilibrium level, there will be	A. surplus commodity in the market B. shortage of commodity in the market C. supply curve will shift D. demand curve will shift
13	If we know that quantities bought and sold are equal, we can conclude that	A. quantities demanded and supplied are also equal B. the market is in equilibrium C. there will be no tendency for a price change D. all of the above

14	The price and sales of sugar both increase. What could be the cause of this?	A. a decrease in the income of the consumers. B. a decrease in the tax on sugar C. An increase in the wages of workers in the sugar industry D. An increase in the price of sugar substitutes
15	A rise in supply and demand in equal proportion will result in	A. increase in equilibrium price and decrease in equilibrium quantity B. decreases in equilibrium price and increases in equilibrium quantity C. no change in equilibrium price and increases in equilibrium quantity D. increases in equilibrium price and no change in equilibrium quantity
16	Ten rupees is the equilibrium price for good Z. If govt. fixes price at Rs. 5, there is	A. a shortage B. a surplus C. excess supply D. loss
17	Equilibrium	A. is a state that can never be achieved in economics B. is an important idea for predicting economics changes C. is a stable condition D. is an unstable condition
18	In market equilibrium, supply is vertical line. The downward sloping demand curve shifts to the right. Then	A. price will fall B. price remains same C. price will rise D. quantity rises
19	An increases in the price of mutton provides information which	A. tells consumers to buy more mutton B. tells consumers to buy more chicken C. tells producers to produce more mutton D. b and c of above
20	Price of a product is determined in a free market	A. by demand for the product B. by supply of the product C. by both demand and supply D. by the government