

Principles of Economics Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	When average product is maximum, marginal product is	A. Equal to average product B. More than average product C. Less than average product D. Zero
2	When average product increase, marginal product	A. Decreases B. Is zero C. Is negative D. Also increases
3	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
4	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
5	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
6	One of the following is not called land	A. Rain B. Mountain C. Forests D. Mangla Dam
7	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
8	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
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	Tractor, harvester, thrasher etc are the examples of factor of production	A. Land B. Labour C. Capital D. Organization
11	Fourth factor of production is called	A. Land B. Labour C. Capital D. Organization
12	Third factor of production is called	A. land B. labour C. capital D. organization
13	Second factor of production is	A. Land B. Labour C. Capital D. Organization

D. Organization

14 The most important and basic factor of production is

- A. Land
- B. Labour
- C. Capital
- D. Organization

15 In modern term, factors of production are called

- A. Inputs
 - B. Productive services
 - C. Inputs and productive services
 - D. Production of goods and services
-