

Principles of Economics Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	Factor of production which is used to earn more income, is called	A. Land B. Labour C. Capital D. Organization
2	Number of factors of production is	A. One B. Two C. Three D. Four
3	Price of perishable goods is determined	A. In the market period B. In the short period C. In the middle period D. In the long period
4	Market price will be determined where	A. Supply is more than demand B. Demand is more than supply C. Demand and supply are equal D. Demand is less elastic and supply is more elastic
5	Reserve price of a commodity is that price	A. Which is more than the cost of production of the seller B. At which the seller sells his commodity in the market C. Which is equal to the cost of production of the seller D. Below which the seller is not ready to sell his commodity
6	Price is determined under perfect competition	A. By sellers B. By buyers C. By government D. By forces of demand and supply
7	Market equilibrium is attained when there exists in the market	A. Perfect competition B. Imperfect competition C. Monopoly D. Large quantity of commodity comes in the market
8	Cause of positive slope of supply curve	A. Change in cost of production B. Fear of increase in cost of production and decrease in profit C. Change in technique of production D. Increase in per unit profit due to increase in price
9	Supply curve moves from left to right upward, this tendency is called	A. Negative B. Positive C. Horizontal D. Vertical
10	Supply of goods depends upon	A. Price B. Income C. Price and income D. Utility
11	Stock means the quantity of a commodity	A. Which is offered for sale in the market B. Which is sold in the market C. Total production is called stock D. Which the seller keeps in his possession without selling
12	Quantity of a commodity offered for sale in a market at a certain price during a given period of time, is called	A. Stock B. Demand C. Supply D. Quantity demanded
13	The goods on which law of demand does not apply, are called	A. Services B. Goods and services C. Giffin goods D. Capital goods

14	According to law of demand, curve moves from left to right downward. This type of tendency is called	A. Positive tendency B. Negative tendency C. Extension and contraction of demand D. Rise and fall of demand
15	According to law of demand, when price of a commodity decreases, then demand curve	A. Moves from left to right upward B. Moves from left to right downward C. Moves vertically D. Moves horizontally