

## CHAPTER-7 | Factors of Production

QUIZ  
PART-09

1. Factors of production are:

- A. Only money
- B. Only land
- C. Resources used in production
- D. Only workers (C)

**Explanation:** Factors of production include resources for making goods and services.

2. Land provides:

- A. Machines
- B. Soil, water, and minerals
- C. Labour
- D. Money (B)

**Explanation:** Land provides natural resources for production.

3. Labour refers to:

- A. Physical and mental efforts
- B. Natural resources
- C. Money
- D. Tools (A)

**Explanation:** Labour involves human efforts in production.

4. Capital includes:

- A. Human knowledge
- B. Money and machines
- C. Land and water
- D. Workers only (B)

**Explanation:** Capital includes man-made resources like tools and money.

5. Entrepreneurship is essential for:

- A. Managing the factors of production
- B. Hiring workers only
- C. Providing resources
- D. Ignoring market needs (A)

**Explanation:** Entrepreneurs organize and manage the production process.

6. Human capital refers to:

- A. Tools and equipment
- B. Plastic
- C. Land and resources
- D. Money for investment (B)

**Explanation:** Human capital involves knowledge and skills that improve productivity.

7. What is the role of an entrepreneur?

- A. To do physical work
- B. To organize production
- C. To provide capital only
- D. To manage only workers (B)

**Explanation:** Entrepreneurs organize land, labour, and capital for production.

8. Physical capital includes:

- A. Knowledge
- B. Tools, machines, and money
- C. Labour effort
- D. Natural resources (B)

**Explanation:** Physical capital consists of tools, machinery, and other assets.

9. Technology helps people by:

- A. Reducing production
- B. Enhancing skills and knowledge
- C. Increasing costs
- D. Limiting opportunities (B)

**Explanation:** Technology enables easier access to education and skills.

10. Entrepreneurship contributes to economic growth by:

- A. Increasing unemployment
- B. Encouraging innovation and risk-taking
- C. Reducing productivity
- D. Limiting markets (B)

**Explanation:** Entrepreneurs drive economic growth through innovation and risks.