

## CHAPTER-7 | Factors of Production

### QUIZ PART-05

1. In economics, capital means:

- A. Only money
- B. Natural resources
- C. Human effort
- D. Physical and financial assets (D)

*Explanation:* Capital includes assets used in production.

2. Which is an example of capital?

- A. Rain
- B. Machines (B)
- C. Sunlight
- D. River water

*Explanation:* Machines are man-made production assets.

3. Small businesses often start with:

- A. Foreign trade
- B. Personal savings (B)
- C. Taxes
- D. Dividends

*Explanation:* Many small businesses begin with savings.

4. If savings are not enough, small businesses may take:

- A. Prize money
- B. Loan (B)
- C. Salary
- D. Bonus

*Explanation:* A bank loan can provide capital.

5. Large companies raise capital from the public through:

- A. Donations
- B. Stock market (B)
- C. Pocket money
- D. Gifts

*Explanation:* They sell shares in the stock market.

6. A share is sold to the:

- A. Judges
- B. Public (B)
- C. Farmers only
- D. Workers only

*Explanation:* Companies sell shares to people.

7. Profit given to shareholders is called:

- A. Rent
- B. Interest
- C. Dividend (C)
- D. Wage

*Explanation:* Dividend is the profit share.

8. Entrepreneurship means:

- A. Closing a business
- B. Starting a business (B)
- C. Buying land only
- D. Doing labour only

*Explanation:* It means starting and building a business.

9. An entrepreneur mainly:

- A. Avoids risk
- B. Takes risks (B)
- C. Stops production
- D. Follows orders only

*Explanation:* Risk-taking is a key role.

10. J. R. D. Tata was awarded:

- A. Padma Shri
- B. Bharat Ratna (B)
- C. Arjuna Award
- D. Booker Prize

*Explanation:* He received Bharat Ratna in 1992.