

CHAPTER-7 | Factors of Production

QUIZ
PART-02

1. In economics, land includes:

- A. Only soil
- B. Natural resources
- C. Only buildings
- D. Only farms (B)

Explanation: Land includes natural resources.

2. Businesses use land by:

- A. Taking it free
- B. Buying or renting it
- C. Exchanging it for labour
- D. Borrowing it forever (B)

Explanation: Businesses purchase or rent land.

3. Labour means:

- A. Only machine work
- B. Physical and mental effort
- C. Only decision-making
- D. Only office work (B)

Explanation: Labour includes both kinds of effort.

4. Labour is:

- A. Unimportant in production
- B. Essential in production
- C. Useful only in farming
- D. Needed only in factories (B)

Explanation: Production needs labour.

5. Labour helps create:

- A. Only goods
- B. Only services
- C. Goods and services
- D. Only machines (C)

Explanation: Labour produces both.

6. People are called a resource because they use:

- A. Luck only
- B. Knowledge and skills
- C. Land only
- D. Machines only (B)

Explanation: People use knowledge and skills.

7. Good work needs:

- A. Noise
- B. Dedication
- C. Delay
- D. Rest only (B)

Explanation: Dedication improves work quality.

8. Human capital means:

- A. Natural wealth
- B. Specialised skills and knowledge
- C. Only land
- D. Only money (B)

Explanation: Human capital is skill and expertise.

9. Human capital improves labour:

- A. Quantity only
- B. Quality and efficiency
- C. Price only
- D. Size only (B)

Explanation: It makes labour better and efficient.

10. Different workers use different levels of:

- A. Sleep and food
- B. Strength, knowledge, and skill
- C. Rent and profit
- D. Land and capital (B)

Explanation: Work needs different abilities.