

## Principles of Economics Icom Part 1 English Medium Chapter 5 Online Test

Sr	Questions	Answers Choice
1	When average product increase, marginal product	A. Decreases B. Is zero C. Is negative D. Also increases
2	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
3	When average product decreases, marginal product	A. Increases B. Is zero C. Is equal to average product D. Is less than average product
4	When total product increases, marginal product	A. Is positive B. Is negative C. May be positive or negative D. Is zero
5	When total product is maximum, marginal product	A. Is positive B. Is negative C. Is zero D. Is decreasing
6	When total product decreases, marginal product	A. Is positive B. Is negative C. Is zero D. Is increasing
7	Average product is maximum, when marginal product curve _____ average product curve	A. Intersects falling B. Intersect rising C. Is above D. Is below
8	In production process when marginal product increases with the increase in units of variable factors along with fixed factor, this tendency in economics is called	A. Law of production B. Law of increasing return C. Law of decreasing return D. Law of constant return
9	If in a production sector, along with the fixed factor of production, by increasing units of variable factors, marginal product remains constant, this tendency in economics is called	A. Law of increasing return B. Law of constant return C. Law of decreasing return D. Law of production
10	In production process, when units of variable factors along with fixed factor of production are increased, marginal product goes on falling, this tendency in economics is called	A. Law of decreasing return B. Law of increasing return C. Law of production D. Law of constant return
11	The second name of law of increasing return is	A. Law of cost B. Law of increasing cost C. Law of decreasing cost D. Law of constant cost
12	The second name of law of constant return is	A. Law of decreasing cost B. Law of increasing cost C. Law of cost D. Law of constant cost
13	The second name of law of decreasing return is	A. Law of increasing cost B. Law of constant cost C. Law of decreasing cost D. Law of cost
14	The production sector where human brain and intelligence plays more role there is applicable	A. Law of increasing return B. Law of constant return C. Law of decreasing return D. Law of increasing cost
15	No factor can take the place of any other factor, it is explained by	A. Law of decreasing return B. Law of constant return C. Law of increasing return D. Law of return

16	The sector of production, in which nature and human beings play an equal role, there is applicable	A. Law of decreasing return B. Law of decreasing cost C. Law of increasing return D. Law of constant return
17	The sector of production, in which nature plays more role, there is applicable	A. Law of increasing return B. Law of constant return C. Law of decreasing return D. Law of decreasing cost
18	In a production process, when units of variable factors along with fixed factor of production are increased marginal cost goes on falling, this tendency in economics is called	A. Law of decreasing cost B. Law of increasing cost C. Law of constant cost D. Law of decreasing return
19	In a production process, when units of variable factors along with the fixed factor of production are increased, marginal cost remains the same, this tendency in economics is called	A. Law of decreasing cost B. Law of constant cost C. Law of increasing cost D. Law of decreasing return
20	In a production process, when units of variable factors along with fixed factor of production are increased, marginal cost goes on rising, this tendency in economics is called	A. Law of decreasing cost B. Law of constant cost C. Law of increasing cost D. Law of increasing return
21	Production which is produced with a particular combination of factors of production, is called	A. Total product B. Average product C. Marginal product D. Positive product
22	When marginal product remains positive, total product	A. Goes on decreasing B. Goes in increasing C. Becomes negative D. Does not change
23	Total product decreases, when marginal product is	A. Positive B. Negative C. Zero D. None of these
24	Laws of return are	A. Two B. Three C. Four D. Five
25	Increasing marginal product shows the law	A. Law of increasing return B. Law of constant return C. Law of decreasing return D. Law of diminishing marginal utility
26	In law of decreasing return, marginal product	A. Increases B. Decreases C. Remains constant D. Does not change
27	In law of constant return, marginal product	A. Increases B. Decreases C. Remains constant D. Remains changing
28	In perfect competition number of firms is	A. One B. Two C. A few D. Large
29	In law of decreasing cost, marginal cost	A. Increases B. Decreases C. Remains constant D. Does not change
30	In law of increasing cost, marginal cost	A. Increases B. Decreases C. Remains constant D. Remains fixed
31	According to classical economics, production process is under laws	A. Two B. Three C. Four D. Five
32	Applied on agriculture immediately	A. Law of increasing return B. Law of substitution C. Law of decreasing return D. Law of decreasing cost
33	Law of decreasing return is immediately applied on	A. Agriculture B. Trade C. Industry

		C. Industry D. Construction
34	Change in total production is called	A. Marginal production B. Zero production C. Total production D. Average production
35	The number of laws of cost are	A. One B. Two C. Three D. Four
36	When marginal product is zero, total product is	A. Maximum B. Minimum C. Negative D. Zero
37	Under decreasing return, the slope of marginal product curve is	A. Negative B. Positive C. Infinite D. Zero
38	Under increasing return, the slope of marginal product curve is	A. Positive B. Negative C. Infinite D. Zero
39	Under constant return, the slope of marginal product curve is	A. Positive B. Negative C. Infinite D. Zero
40	Market equilibrium take place where:	A. $D = S$ B. $D > S$ C. $D < S$ D. Both (b) and (c)
41	Equilibrium price is determined where:	A. $D = S$ B. $D > S$ C. $D < S$ D. Both (b) and (c)
42	Price of perishable goods is determined in:	A. Very short period B. Very long period C. Day to Day D. Both (a) and (c)
43	Supply curve of perishable goods is:	A. Horizontal B. Vertical C. Infinite D. All of them
44	Equilibrium price is determined in.	A. Perfect market B. Imperfect market C. Monopoly D. None of these
45	When Demand > Supply it will be:	A. Shortage B. Less supply C. More demand D. Surplus
46	Supply is Fixed of:	A. Perishable goods B. Free goods C. Durable goods D. Substitute goods
47	Supply of the one of the following is not fixed:	A. Vegetable B. Fruit C. Milk D. Motor bike
48	When demand and supply rise in equal proportion, the equilibrium price will:	A. Fall B. Rise C. Constant D. None of those
49	In the market period supply is:	A. Variable B. Fixed C. Zero D. Positive
50	If supply does not change, then due to rise in demand, equilibrium price.	A. Increases B. Decreases C. Does not change D. Becomes zero