

Economics Ics Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	The kind of market is undesirable	A. general market B. specialized market C. local market D. monopoly market
2	Which of the following markets comes closest to perfect market	A. wheat market B. cigarette market C. cold drinks market D. stock market
3	A firm under perfect competition is	A. price maker B. price breaker C. price taker D. price shaker
4	Which of the following is one of the assumptions of perfect competition.	A. few buyers and few sellers B. many buyers and few sellers C. many buyers and many sellers D. all sellers and buyers are honest
5	How many kinds of market?	A. 4 B. 5 C. 6 D. 7
6	Economies and diseconomies of scale determine the shape of	A. long run AC curve B. short run AC C. average fixed cost D. none of the above
7	When diseconomies of scale outweigh economies of scale the	A. long run AC curve rises B. marginal cost falls C. long run ATC curve falls D. AVC falls
8	Law of decreasing returns generates	A. law of economic growth B. law of increasing costs C. law of variable costs D. law of decreasing costs
9	Marginal product indicates rate of change of	A. total product B. average product C. variable product D. all of the above
10	When MP is zero, TP is	A. minimum B. maximum C. rising D. falling
11	Marginal product curve intersects average product curve when AP curve is	A. minimum B. maximum C. rising D. falling
12	The production function relates to	A. cost of output B. cost of input C. output to input D. demand to output
13	If in a production process, all inputs are increased by 10% and output increase by less than 10%, then it is called	A. economies of scale B. diseconomies of scale C. diminishing marginal returns D. negative economies
14	Internal economies of scale include	A. risk-bearing economics B. trade mark C. managerial economies D. a and c of above
15	The government constructed a new water reservoir for the purpose of irrigation; this might be taken as	A. increase in supply of capital B. increase in supply of land C. increase in supply of land and supply of capital D. none of the above

		D. none of these
16	The maximum point of TP curve is at quantity of labour where	<p>A. Average physical product of labour is equal to 1</p> <p>B. MPP of labour is at its maximum</p> <p>C. curves of APP and MPP of labour intersect</p> <p>D. MPP of labour is zero</p>
17	Which of the following is example of external economies of scale?	<p>A. Discount on purchases of raw materials</p> <p>B. Technical progress leads to development of machines at low price</p> <p>C. Hiring of specialized staff due to increase in scale of production</p> <p>D. A firm starts producing by products</p>
18	When a firm using a fixed amount of land and capital takes on more workers, it finds that marginal product(MP) of labour falls but the average product(AP) of labour rises. This can be explained by the factors that	<p>A. MP of labour is greater than AP of labour</p> <p>B. additional workers are more efficient</p> <p>C. MP and AP are equal</p> <p>D. AP is maximum</p>
19	Which of the following saying describes diminishing marginal returns in the short run?	<p>A. When the cat is away, the mouse will play</p> <p>B. Too many cooks spoil the broth</p> <p>C. A rolling stone gathers no moss</p> <p>D. A stitch in time saves nine</p>
20	during short period, diminishing returns may follow because	<p>A. quantity of labour is fixed</p> <p>B. quality of labour is fixed</p> <p>C. quantity of capital is fixed</p> <p>D. quantity of any one factor is fixed</p>