

Principles of Economics Icom Part 1 English Medium Chapter 7 Online Test

Sr	Questions	Answers Choice
1	Law of diminishing return is more applicable in:	A. Trade sector B. Industrial sector C. Agricultural sector D. Education sector
2	Which law is applicable when human and natural forces are balance ?	A. Increasing cost B. Constant cost C. Diminishing cost D. Both (a) and (c)
3	Law of increasing return is more applicable in:	A. Trade sector B. Industrial sector C. Agricultural sector D. Power sector
4	Law of decreasing return is also known as:	A. Increasing cost B. Constant cost C. Diminishing cost D. Both (a) and (c)
5	Law of constant return is also known as:	A. Increasing cost B. Constant cost C. Diminishing cost D. Both (a) and (c)
6	Law of increasing return is also known as:	A. Increasing cost B. Constant cost C. Diminishing cost D. Both (a) and (c)
7	When average product is maximum, marginal product is:	A. Positive B. Equal to AP C. Zero D. Negative
8	Laws of returns are also known as:	A. Laws of substitution B. Laws of consumption C. Laws of cost D. All of three
9	When average product increases, marginal product is:	A. Also increases B. Decreases C. Zero D. Negative
10	When total production decreases, marginal product is:	A. Positive B. Negative C. Zero D. Infinite
11	When total production is maximum, marginal product is:	A. Positive B. Negative C. Zero D. Infinite
12	When total production increases, marginal product is:	A. Positive B. Negative C. Zero D. Infinite
13	According to neo classical approach, output is the function of:	A. Labour B. Capital C. Organization D. Both (a) and (b)
14	A monopolist controls the supply	A. Totally B. Partially C. More D. Not at all
15	The difference between total revenue (TR) and total cost (TC) is called	A. Loss B. Profit C. Profit or loss D. Utility

