

Principles of Economics Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	One of the following is not included in implicit cost	A. Interest of entrepreneur's own capital B. Rent of building C. Reward of entrepreneur's own labour D. Reward of entrepreneur's own land
2	One of the following is not included in explicit cost	A. Wages of labourers B. Reward of entrepreneur's personal labour C. Price of raw material D. Interest of capital
3	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
4	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
5	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
6	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
7	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
8	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
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 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
11	Average product is maximum, when marginal product curve _____ average product curve	A. Intersects falling B. Intersect rising C. Is above D. Is below
12	When total product decreases, marginal product	A. Is positive B. Is negative C. Is zero D. Is increasing
13	When total product is maximum, marginal product	A. Is positive B. Is negative C. Is zero D. Is decreasing
14	When total product increases, marginal product	A. Is positive B. Is negative C. May be positive or negative D. Is zero

- A. Increases
 - B. Is zero
 - C. Is equal to average product
 - D. Is less than average product
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