

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

Sr	Questions	Answers Choice
1	In law of decreasing return, marginal product	A. Increases B. Decreases C. Remains constant D. Does not change
2	Price of perishable goods is determined in:	A. Very short period B. Very long period C. Day to Day D. Both (a) and (c)
3	When Demand > Supply it will be:	A. Shortage B. Less supply C. More demand D. Surplus
4	Supply of the one of the following is not fixed:	A. Vegetable B. Fruit C. Milk D. Motor bike
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	Market equilibrium take place where:	A. $D = S$ B. $D > S$ C. $D < S$ D. Both (b) and (c)
7	When total product decreases, marginal product	A. Is positive B. Is negative C. Is zero D. Is increasing
8	In law of increasing cost, marginal cost	A. Increases B. Decreases C. Remains constant D. Remains fixed
9	Under decreasing return, the slope of marginal product curve is	A. Negative B. Positive C. Infinite D. Zero
10	Under increasing return, the slope of marginal product curve is	A. Positive B. Negative C. Infinite D. Zero
11	Change in total production is called	A. Marginal production B. Zero production C. Total production D. Average production
12	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
13	Equilibrium price is determined where:	A. $D = S$ B. $D > S$ C. $D < S$ D. Both (b) and (c)
14	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
15	If supply does not change, then due to rise in demand, equilibrium price.	A. Increases B. Decreases C. Does not change D. Becomes zero

16	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
17	When marginal product remains positive, total product	A. Goes on decreasing B. Goes in increasing C. Becomes negative D. Does not change
18	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
19	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
20	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