

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

Sr	Questions	Answers Choice
1	In the market period supply is:	A. Variable B. Fixed C. Zero D. Positive
2	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
3	In law of decreasing return, marginal product	A. Increases B. Decreases C. Remains constant D. Does not change
4	Laws of return are	A. Two B. Three C. Four D. Five
5	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
6	Total product decreases, when marginal product is	A. Positive B. Negative C. Zero D. None of these
7	Supply is Fixed of:	A. Perishable goods B. Free goods C. Durable goods D. Substitute goods
8	Law of decreasing return is immediately applied on	A. Agriculture B. Trade C. Industry D. Construction
9	Equilibrium price is determined in.	A. Perfect market B. Imperfect market C. Monopoly D. None of these
10	When total product decreases, marginal product	A. Is positive B. Is negative C. Is zero D. Is increasing
11	Price of perishable goods is determined in:	A. Very short period B. Very long period C. Day to Day D. Both (a) and (c)
12	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
13	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
14	If supply does not change, then due to rise in demand, equilibrium price.	A. Increases B. Decreases C. Does not change D. Becomes zero
15	Change in total production is called	A. Marginal production B. Zero production C. Total production D. Average production

16	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
17	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
18	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
19	Supply of the one of the following is not fixed:	A. Vegetable B. Fruit C. Milk D. Motor bike
20	Supply curve of perishable goods is:	A. Horizontal B. Vertical C. Infinite D. All of them
21	When marginal product is zero, total product is	A. Maximum B. Minimum C. Negative D. Zero
22	Market equilibrium take place where:	A. $D = S$ B. $D > S$ C. $D < S$ D. Both (b) and (c)
23	In perfect competition number of firms is	A. One B. Two C. A few D. Large
24	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
25	In law of decreasing cost, marginal cost	A. Increases B. Decreases C. Remains constant D. Does not change
26	Under constant return, the slope of marginal product curve is	A. Positive B. Negative C. Infinite D. Zero
27	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
28	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
29	When average product decreases, marginal product	A. Increases B. Is zero C. Is equal to average product D. Is less than average product
30	Under decreasing return, the slope of marginal product curve is	A. Negative B. Positive C. Infinite D. Zero
31	Applied on agriculture immediately	A. Law of increasing return B. Law of substitution C. Law of decreasing return D. Law of decreasing cost
32	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
33	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

		C. Law of decreasing return D. Law of decreasing cost
34	When marginal product remains positive, total product	A. Goes on decreasing B. Goes in increasing C. Becomes negative D. Does not change
35	In law of constant return, marginal product	A. Increases B. Decreases C. Remains constant D. Remains changing
36	When total product increases, marginal product	A. Is positive B. Is negative C. May be positive or negative D. Is zero
37	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
38	Average product is maximum, when marginal product curve _____ average product curve	A. Intersects falling B. Intersect rising C. Is above D. Is below
39	According to classical economics, production process is under laws	A. Two B. Three C. Four D. Five
40	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
41	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
42	When total product is maximum, marginal product	A. Is positive B. Is negative C. Is zero D. Is decreasing
43	When demand and supply rise in equal proportion, the equilibrium price will:	A. Fall B. Rise C. Constant D. None of those
44	When average product increase, marginal product	A. Decreases B. Is zero C. Is negative D. Also increases
45	Equilibrium price is determined where:	A. $D = S$ B. $D > S$ C. $D < S$ D. Both (b) and (c)
46	When Demand > Supply it will be:	A. Shortage B. Less supply C. More demand D. Surplus
47	Under increasing return, the slope of marginal product curve is	A. Positive B. Negative C. Infinite D. Zero
48	The number of laws of cost are	A. One B. Two C. Three D. Four
49	In law of increasing cost, marginal cost	A. Increases B. Decreases C. Remains constant D. Remains fixed
50	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