

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

Sr	Questions	Answers Choice
SI	Questions	
1	Equilibrium price is determined in.	A. Perfect market B. Imperfect market C. Monopoly D. None of these
2	The number of laws of cost are	A. One B. Two C. Three D. Four
3	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
4	Total product decreases, when marginal product is	A. Positive B. Negative C. Zero D. None of these
5	When average product increase, marginal product	A. Decreases B. Is zero C. Is negative D. Also increases
6	When total product is maximum, marginal product	A. Is positive B. Is negative C. Is zero D. Is decreasing
7	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
8	When marginal product remains positive, total product	A. Goes on decreasing B. Goes in increasing C. Becomes negative D. Does not change
9	When demand and supply rise in equal propoertion, the equilibrium price will:	A. Fall B. Rise C. Constant D. None of those
10	When average product decreases, marginal product	A. Increases B. Is zero C. Is equal to average product D. Is less than average product
11	When marginal product is zero, total product is	A. Maximum B. Minimum C. Negative D. Zero
12	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
13	Change in total production is called	A. Marginal production B. Zero production C. Total production D. Average production
14	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
15	In the market period supply is:	A. Variable B. Fixed C. Zero D. Positive

16	Supply is Fixed of:	A. Perishable goods B. Free goods C. Durable goods D. Substitute goods
17	Market equilibrium take place where:	A. D = S B. D > S C. D < S D. Both (b) and (c)
18	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
19	When total product increases, marginal product	A. Is positive B. Is negative C. May be positive or negative D. Is zero
20	When Demand > Supply it will be:	A. Shortage B. Less supply C. More demand D. Surplus