

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

Sr	Questions	Answers Choice
1	Change in total production is called	A. Marginal production B. Zero production C. Total production D. Average production
2	In the market period supply is:	A. Variable B. Fixed C. Zero D. Positive
3	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
4	Equilibrium price is determined where:	A. $D = S$ B. $D > S$ C. $D < S$ D. Both (b) and (c)
5	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
6	Supply curve of perishable goods is:	A. Horizontal B. Vertical C. Infinite D. All of them
7	Applied on agriculture immediately	A. Law of increasing return B. Law of substitution C. Law of decreasing return D. Law of decreasing cost
8	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
9	According to classical economics, production process is under laws	A. Two B. Three C. Four D. Five
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	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
12	Laws of return are	A. Two B. Three C. Four D. Five
13	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
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	When total product increases, marginal product	A. Is positive B. Is negative C. May be positive or negative D. Is zero

16	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
17	In perfect competition number of firms is	A. One B. Two C. A few D. Large
18	When demand and supply rise in equal proportion, the equilibrium price will:	A. Fall B. Rise C. Constant D. None of those
19	Law of decreasing return is immediately applied on	A. Agriculture B. Trade C. Industry D. Construction
20	Total product decreases, when marginal product is	A. Positive B. Negative C. Zero D. None of these
