

## Economics Ics Part 1 English Medium Chapter 11 Online Test

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Sr	Questions	Answers Choice
1	Economics of scale are of two kinds	A. temporary and permanent     B. internal and external     C. managerial and industrial     D. natural and artificial
2	Which one is the third stage of production under law of variable proportions	A. Decreasing average returns     B. Increasing average return     C. Negative marginal return     D. Increasing marginal return
3	Which one is the small scale production.	A. Bata shoe factory B. A barber shop C. kohinoor Textile Industries D. Sufi soap
4	When average product falls marginal product	A. Rises B. Also falls C. Remain equal to average product D. Does not change
5	Which one will determine scale of production .	A. Financial resources B. Production techniques C. Extant of the market D. All the above
6	Marginal product curve intersects average product curve when AP curve is	A. minimum B. maximum C. rising D. falling
7	Laws of return apply to firms working in	A. perfect competition B. monopoly C. small firm D. all kinds of market situations
8	In law of diminishing returns at least one factor	A. must be constant B. must be owned by the firm C. must be purchasable D. must be efficient
9	When MP curve cuts AP curve, the AP is at its.	A. Lowest point B. Highest point C. Neither of the two D. Eighter of the two
10	When diseconomies of scale outweigh economies of scale the	A. long run AC curve rises B. marginal cost falls C. long run ATC curve falls D. AVC falls
11	When total product (TP) reaches its maximum, Marginal product (MP) is_	A. Zero B. Positive C. Negative D. Rising
12	Economies and diseconomies of scale determine the shape of	A. long run AC curve B. short run AC C. average fixed cost D. none of the above
13	The law of variable proportions was presented by.	A. David Ricords B. Alfred Marshall C. W.J.L. Ryan D. Pareto
14	Economies of scale	A. occur when increase in input less than proportionate increase in output B. suggest that firm's marginal cost curve lies above its average cost curve C. suggest that the firm's marginal cost curve is declining D. occur when average cost is falling

 $(\mathbf{x}_{i},\mathbf{r}_{i},$ 

15	The government constructed a new water reservoir for the purpose of irrigation; this might be taken as	A. increase in supply of capital B. increase in supply of land C. increase in supply of land and supply of capital D. none of these
16	In production of goods, negative returns in the short run imply that	A. average product is negative B. total product is negative C. marginal product is negative D. marginal cost is falling
17	When a firm using a fixed amount of land and capital takes on more workers, it finds that marginal product(MP) of labour falls but the average product(AP) of labour rises. This can be explained by the factors that	A. MP of labour is grater than AP of labour B. additional workers are more efficient C. MP and AP are equal D. AP is maximum
18	When average product (AP) and marginal product (MP) are rising.	A. AP > MP B. AP = MP C. AP &It MP D. AP = MP = 0
19	Law of diminishing returns applies more in:	A. Industry B. Agriculture C. Mining D. Construction
20	Law of diminishing returns is a universal law as:	A. It does apply in all aspects of an economy.     B. Basically it applies in agriculture.     C. It is hard to check it.     D. It applies in industry as well