

Economics Ics Part 1 English Medium Chapter 11 Online Test

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	The law of variable proportions was presented by.	A. Jevens B. Rayon C. Hicks D. Valentine
3	The production function relates to	A. cost of output B. cost of input C. output to input D. demand to output
4	When average product (AP) and marginal product (MP) are rising.	A. AP > MP B. AP = MP C. AP < MP D. AP = MP = 0
5	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 greater than AP of labour B. additional workers are more efficient C. MP and AP are equal D. AP is maximum
6	When business expands beyond its optimum level what type of economics will it be getting.	A. Diseconomies B. Internal economies C. External economies D. Managerial economics
7	Which of the following is example of external economies of scale?	A. Discount on purchases of raw materials B. Technical progress leads to development of machines at low price C. Hiring of specialized staff due to increase in scale of production D. A firm starts producing by products
8	Commercial economics are a part of:	A. Internal economics B. External economics C. Economies of scale D. None of the three
9	When MP is zero, TP is	A. minimum B. maximum C. rising D. falling
10	The law of variable proportions was presented by.	A. David Ricords B. Alfred Marshall C. W.J.L. Ryan D. Pareto
11	When average product falls marginal product	A. Rises B. Also falls C. Remain equal to average product D. Does not change
12	Marginal product indicates rate of change of	A. total product B. average product C. variable product D. all of the above
13	The concept of internal and external economics was given by.	A. Adam Smith B. Robbins C. J.M.Keynes D. Alfred Marshall
14	The maximum point of TP curve is at quantity of labour where	A. Average physical product of labour is equal to 1 B. MPP of labour is at its maximum C. MP of labour is at its maximum D. AP of labour is at its maximum

		<p>C. curves of APP and MPP of labour intersect</p> <p>D. MPP of labour is zero</p>
15	When MP curve cuts AP curve, the AP is at its.	<p>A. Lowest point</p> <p>B. Highest point</p> <p>C. Neither of the two</p> <p>D. Eighter of the two</p>
16	Marginal product curve intersects average product curve when AP curve is	<p>A. minimum</p> <p>B. maximum</p> <p>C. rising</p> <p>D. falling</p>
17	Internal economies of scale include	<p>A. risk-bearing economics</p> <p>B. trade mark</p> <p>C. managerial economies</p> <p>D. a and c of above</p>
18	Laws of return apply to firms working in	<p>A. perfect competition</p> <p>B. monopoly</p> <p>C. small firm</p> <p>D. all kinds of market situations</p>
19	Which of the following saying describes diminishing marginal returns in the short run?	<p>A. When the cat is away, the mouse will play</p> <p>B. Too many cooks spoil the broth</p> <p>C. A rolling stone gathers no moss</p> <p>D. A stitch in time saves nine</p>
20	The government constructed a new water reservoir for the purpose of irrigation; this might be taken as	<p>A. increase in supply of capital</p> <p>B. increase in supply of land</p> <p>C. increase in supply of land and supply of capital</p> <p>D. none of these</p>