

Economics Ics Part 1 English Medium Chapter 11 Online Test

Sr	Questions	Answers Choice
1	Marginal product curve intersects average product curve when AP curve is	A. minimum B. maximum C. rising D. falling
2	Which of the following saying describes diminishing marginal returns in the short run?	A. When the cat is away, the mouse will play B. Too many cooks spoil the broth C. A rolling stone gathers no moss D. A stitch in time saves nine
3	Marginal product indicates rate of change of	A. total product B. average product C. variable product D. all of the above
4	The law of variable proportions was presented by.	A. David Ricords B. Alfred Marshall C. W.J.L. Ryan D. Pareto
5	When MP is zero, TP is	A. minimum B. maximum C. rising D. falling
6	Which one will determine scale of production .	A. Financial resources B. Production techniques C. Extant of the market D. All the above
7	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
8	The law of variable proportions was presented by.	A. Jevens B. Rayon C. Hicks D. Valentine
9	The slopes of average and marginal products curves are always zero under:	A. Law of increasing returns B. Law of diminishing returns C. Law of constant returns D. Law of variable proportions
10	The concept of internal and external economics was given by.	A. Adam Smith B. Robbins C. J.M.Keynes D. Alfred Marshall
11	When average product (AP) and marginal product (MP) are rising.	A. AP > MP B. AP = MP C. AP < MP D. AP = MP = 0
12	Laws of return apply to firms working in	A. perfect competition B. monopoly C. small firm D. all kinds of market situations
13	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
14	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
15	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 = 0 D. MP = AP

		C. curves of APP and MPP of labour intersect D. MPP of labour is zero
16	The law of increasing returns is also known as:	A. Law of increasing cost B. Law of diminishing cost C. Law of constant cost D. None of the three
17	Law of diminishing returns applies more in:	A. Industry B. Agriculture C. Mining D. Construction
18	Which one is the small scale production.	A. Bata shoe factory B. A barber shop C. kohinoor Textile Industries D. Sufi soap
19	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
20	When average product falls marginal product	A. Rises B. Also falls C. Remain equal to average product D. Does not change