

Economics Ics Part 1 English Medium Chapter 11 Online Test

Sr	Questions	Answers Choice
1	Commercial economics are a part of:	A. Internal economics B. External economics C. Economies of scale D. None of the three
2	When average product (AP) and marginal product (MP) are rising.	A. $AP > MP$ B. $AP = MP$ C. $AP < MP$ D. $AP = MP = 0$
3	An important factor which promotes large scale production is:	A. Extant of market B. Revolutionary changes in social life C. Culture and civilization D. All the three
4	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
5	When MP is zero, TP is	A. minimum B. maximum C. rising D. falling
6	Economies of scale are of two kinds	A. temporary and permanent B. internal and external C. managerial and industrial D. natural and artificial
7	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
8	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
9	In the second stage of the law of variable of proportions the average product:	A. Rises B. Remains constant C. Falls D. None of the three
10	Marginal product curve intersects average product curve when AP curve is	A. minimum B. maximum C. rising D. falling
11	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
12	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
13	Which one will determine scale of production .	A. Financial resources B. Production techniques C. Extant of the market D. All the above
14	Marginal product indicates rate of change of	A. total product B. average product

		<p>C. variable product D. all of the above</p>
15	The law of variable proportions was presented by.	<p>A. David Ricords B. Alfred Marshall C. W.J.L. Ryan D. Pareto</p>
16	The concept of internal and external economics was given by.	<p>A. Adam Smith B. Robbins C. J.M.Keynes D. Alfred Marshall</p>
17	Which one is the third stage of production under law of variable proportions	<p>A. Decreasing average returns B. Increasing average return C. Negative marginal return D. Increasing marginal return</p>
18	Economies of scale	<p>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</p>
19	during short period, diminishing returns may follow because	<p>A. quantity of labour is fixed B. quality of labour is fixed C. quantity of capital is fixed D. quantity of any one factor is fixed</p>
20	When total product (TP) reaches its maximum, Marginal product (MP) is_	<p>A. Zero B. Positive C. Negative D. Rising</p>