

Economics Ics Part 1 English Medium Chapter 11 Online Test

Sr	Questions	Answers Choice
1	Laws of return apply to firms working in	A. perfect competition B. monopoly C. small firm D. all kinds of market situations
2	When total product falls, marginal product is.	A. Zero B. Positive C. Negative D. Falling
3	Which one is the small scale production.	A. Bata shoe factory B. A barber shop C. kohinoor Textile Industries D. Sufi soap
4	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
5	Internal economies of scale include	A. risk-bearing economics B. trade mark C. managerial economies D. a and c of above
6	Law of diminishing returns applies more in:	A. Industry B. Agriculture C. Mining D. Construction
7	Economics of scale are of two kinds	A. temporary and permanent B. internal and external C. managerial and industrial D. natural and artificial
8	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
9	The concept of internal and external economics was given by.	A. Adam Smith B. Robbins C. J.M.Keynes D. Alfred Marshall
10	When average product falls marginal product	A. Rises B. Also falls C. Remain equal to average product D. Does not change
11	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
12	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
13	When total product (TP) reaches its maximum, Marginal product (MP) is_	A. Zero B. Positive C. Negative D. Rising
14	The law of variable proportions was presented by.	A. David Ricords B. Alfred Marshall C. W.J.L. Ryan D. Pareto
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	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	<p>A. MP of labour is greater than AP of labour</p> <p>B. additional workers are more efficient</p> <p>C. MP and AP are equal</p> <p>D. AP is maximum</p>
17	Marginal product indicates rate of change of	<p>A. total product</p> <p>B. average product</p> <p>C. variable product</p> <p>D. all of the above</p>
18	Which one is the third stage of production under law of variable proportions	<p>A. Decreasing average returns</p> <p>B. Increasing average return</p> <p>C. Negative marginal return</p> <p>D. Increasing marginal return</p>
19	When total product rises marginal product.	<p>A. Remains the same</p> <p>B. Falls</p> <p>C. Also rises</p> <p>D. None of the three</p>
20	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>