

## Principles of Economics Icom Part 1 English Medium Chapter 5 Online Test

Sr	Questions	Answers Choice
1	When demand and supply rise in equal proportion, the equilibrium price will:	A. Fall B. Rise C. Constant D. None of those
2	Price of perishable goods is determined in:	A. Very short period B. Very long period C. Day to Day D. Both (a) and (c)
3	When marginal product remains positive, total product	A. Goes on decreasing B. Goes in increasing C. Becomes negative D. Does not change
4	Laws of return are	A. Two B. Three C. Four D. Five
5	In production process, when units of variable factors along with fixed factor of production are increased, marginal product goes on falling, this tendency in economics is called	A. Law of decreasing return B. Law of increasing return C. Law of production D. Law of constant return
6	The sector of production, in which nature plays more role, there is applicable	A. Law of increasing return B. Law of constant return C. Law of decreasing return D. Law of decreasing cost
7	Equilibrium price is determined where:	A. $D = S$ B. $D > S$ C. $D < S$ D. Both (b) and (c)
8	No factor can take the place of any other factor, it is explained by	A. Law of decreasing return B. Law of constant return C. Law of increasing return D. Law of return
9	The second name of law of increasing return is	A. Law of cost B. Law of increasing cost C. Law of decreasing cost D. Law of constant cost
10	Under decreasing return, the slope of marginal product curve is	A. Negative B. Positive C. Infinite D. Zero
11	In a production process, when units of variable factors along with fixed factor of production are increased marginal cost goes on falling, this tendency in economics is called	A. Law of decreasing cost B. Law of increasing cost C. Law of constant cost D. Law of decreasing return
12	Total product decreases, when marginal product is	A. Positive B. Negative C. Zero D. None of these
13	When marginal product is zero, total product is	A. Maximum B. Minimum C. Negative D. Zero
14	Under constant return, the slope of marginal product curve is	A. Positive B. Negative C. Infinite D. Zero
15	Supply of the one of the following is not fixed:	A. Vegetable B. Fruit C. Milk D. Motor bike

16	Average product is maximum, when marginal product curve _____ average product curve	<p>A. Intersects falling B. Intersect rising C. Is above D. Is below</p>
17	When total product increases, marginal product	<p>A. Is positive B. Is negative C. May be positive or negative D. Is zero</p>
18	In law of increasing cost, marginal cost	<p>A. Increases B. Decreases C. Remains constant D. Remains fixed</p>
19	When average product is maximum, marginal product is	<p>A. Equal to average product B. More than average product C. Less than average product D. Zero</p>
20	If in a production sector, along with the fixed factor of production, by increasing units of variable factors, marginal product remains constant, this tendency in economics is called	<p>A. Law of increasing return B. Law of constant return C. Law of decreasing return D. Law of production</p>