

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

Sr	Questions	Answers Choice
1	If supply does not change, then due to rise in demand, equilibrium price.	A. Increases B. Decreases C. Does not change D. Becomes zero
2	Total product decreases, when marginal product is	A. Positive B. Negative C. Zero D. None of these
3	Under constant return, the slope of marginal product curve is	A. Positive B. Negative C. Infinite D. Zero
4	Supply of the one of the following is not fixed:	A. Vegetable B. Fruit C. Milk D. Motor bike
5	Equilibrium price is determined in.	A. Perfect market B. Imperfect market C. Monopoly D. None of these
6	In law of decreasing cost, marginal cost	A. Increases B. Decreases C. Remains constant D. Does not change
7	Increasing marginal product shows the law	A. Law of increasing return B. Law of constant return C. Law of decreasing return D. Law of diminishing marginal utility
8	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
9	Market equilibrium take place where:	A. $D = S$ B. $D > S$ C. $D < S$ D. Both (b) and (c)
10	According to classical economics, production process is under laws	A. Two B. Three C. Four D. Five
11	When average product is maximum, marginal product is	A. Equal to average product B. More than average product C. Less than average product D. Zero
12	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
13	The second name of law of constant return is	A. Law of decreasing cost B. Law of increasing cost C. Law of cost D. Law of constant cost
14	When average product increase, marginal product	A. Decreases B. Is zero C. Is negative D. Also increases
15	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

16	Change in total production is called	<p>A. Marginal production B. Zero production C. Total production D. Average production</p>
17	Laws of return are	<p>A. Two B. Three C. Four D. Five</p>
18	When total product decreases, marginal product	<p>A. Is positive B. Is negative C. Is zero D. Is increasing</p>
19	When Demand > Supply it will be:	<p>A. Shortage B. Less supply C. More demand D. Surplus</p>
20	In a production process, when units of variable factors along with the fixed factor of production are increased, marginal cost remains the same, this tendency in economics is called	<p>A. Law of decreasing cost B. Law of constant cost C. Law of increasing cost D. Law of decreasing return</p>