

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

Sr	Questions	Answers Choice
1	In law of decreasing return, marginal product	A. Increases B. Decreases C. Remains constant D. Does not change
2	The sector of production, in which nature and human beings play an equal role, there is applicable	A. Law of decreasing return B. Law of decreasing cost C. Law of increasing return D. Law of constant return
3	When marginal product is zero, total product is	A. Maximum B. Minimum C. Negative D. Zero
4	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
5	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
6	In perfect competition number of firms is	A. One B. Two C. A few D. Large
7	Price of perishable goods is determined in:	A. Very short period B. Very long period C. Day to Day D. Both (a) and (c)
8	Law of decreasing return is immediately applied on	A. Agriculture B. Trade C. Industry D. Construction
9	When average product increase, marginal product	A. Decreases B. Is zero C. Is negative D. Also increases
10	Under increasing return, the slope of marginal product curve is	A. Positive B. Negative C. Infinite D. Zero
11	When average product decreases, marginal product	A. Increases B. Is zero C. Is equal to average product D. Is less than average product
12	Applied on agriculture immediately	A. Law of increasing return B. Law of substitution C. Law of decreasing return D. Law of decreasing cost
13	When total product increases, marginal product	A. Is positive B. Is negative C. May be positive or negative D. Is zero
14	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
15	In the market period supply is:	A. Variable B. Fixed C. Zero D. Positive

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16	When Demand > Supply it will be:	A. Shortage B. Less supply C. More demand D. Surplus
17	When demand and supply rise in equal proportion, the equilibrium price will:	A. Fall B. Rise C. Constant D. None of those
18	Total product decreases, when marginal product is	A. Positive B. Negative C. Zero D. None of these
19	The second name of law of decreasing return is	A. Law of increasing cost B. Law of constant cost C. Law of decreasing cost D. Law of cost
20	Supply of the one of the following is not fixed:	A. Vegetable B. Fruit C. Milk D. Motor bike

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