

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

Sr	Questions	Answers Choice
1	Equilibrium price is determined where:	A. $D = S$ B. $D > S$ C. $D < S$ D. Both (b) and (c)
2	According to classical economics, production process is under laws	A. Two B. Three C. Four D. Five
3	In law of increasing cost, marginal cost	A. Increases B. Decreases C. Remains constant D. Remains fixed
4	When total product increases, marginal product	A. Is positive B. Is negative C. May be positive or negative D. Is zero
5	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
6	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
7	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
8	When demand and supply rise in equal proportion, the equilibrium price will:	A. Fall B. Rise C. Constant D. None of those
9	Equilibrium price is determined in.	A. Perfect market B. Imperfect market C. Monopoly D. None of these
10	The production sector where human brain and intelligence plays more role there is applicable	A. Law of increasing return B. Law of constant return C. Law of decreasing return D. Law of increasing cost
11	Supply of the one of the following is not fixed:	A. Vegetable B. Fruit C. Milk D. Motor bike
12	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	A. Law of decreasing cost B. Law of constant cost C. Law of increasing cost D. Law of decreasing return
13	In law of decreasing cost, marginal cost	A. Increases B. Decreases C. Remains constant D. Does not change
14	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
15	Supply is Fixed of:	A. Perishable goods B. Free goods C. Durable goods D. Substitute goods

16	When Demand > Supply it will be:	A. Shortage B. Less supply C. More demand D. Surplus
17	Price of perishable goods is determined in:	A. Very short period B. Very long period C. Day to Day D. Both (a) and (c)
18	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
19	When average product decreases, marginal product	A. Increases B. Is zero C. Is equal to average product D. Is less than average product
20	Production which is produced with a particular combination of factors of production, is called	A. Total product B. Average product C. Marginal product D. Positive product