

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	Under decreasing return, the slope of marginal product curve is	A. Negative B. Positive C. Infinite D. Zero
3	In law of decreasing cost, marginal cost	A. Increases B. Decreases C. Remains constant D. Does not change
4	Market equilibrium take place where:	A. $D = S$ B. $D > S$ C. $D < S$ D. Both (b) and (c)
5	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
6	Change in total production is called	A. Marginal production B. Zero production C. Total production D. Average production
7	When total product decreases, marginal product	A. Is positive B. Is negative C. Is zero D. Is increasing
8	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
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	When average product decreases, marginal product	A. Increases B. Is zero C. Is equal to average product D. Is less than average product
11	In the market period supply is:	A. Variable B. Fixed C. Zero D. Positive
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	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
14	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
15	In a production process, when units of variable factors along with fixed factor of production are increased, marginal cost goes on rising, this tendency in economics is called	A. Law of decreasing cost B. Law of constant cost C. Law of increasing cost D. Law of increasing return

16	When total product is maximum, marginal product	A. Is positive B. Is negative C. Is zero D. Is decreasing
17	In law of constant return, marginal product	A. Increases B. Decreases C. Remains constant D. Remains changing
18	In law of decreasing return, marginal product	A. Increases B. Decreases C. Remains constant D. Does not change
19	When marginal product remains positive, total product	A. Goes on decreasing B. Goes in increasing C. Becomes negative D. Does not change
20	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