

Economics Ics Part 1 English Medium Chapter 11 Online Test

Sr	Questions	Answers Choice
1	The law of variable proportions was presented by.	A. Jevens B. Rayon C. Hicks D. Valentine
2	In law of diminishing returns at least one factor	A. must be constant B. must be owned by the firm C. must be purchasable D. must be efficient
3	In production of goods, negative returns in the short run imply that	A. average product is negative B. total product is negative C. marginal product is negative D. marginal cost is falling
4	Economics of scale are of two kinds	A. temporary and permanent B. internal and external C. managerial and industrial D. natural and artificial
5	The production function relates to	A. cost of output B. cost of input C. output to input D. demand to output
6	Which of the following is example of external economies of scale?	A. Discount on purchases of raw materials B. Technical progress leads to development of machines at low price C. Hiring of specialized staff due to increase in scale of production D. A firm starts producing by products
7	during short period, diminishing returns may follow because	A. quantity of labour is fixed B. quality of labour is fixed C. quantity of capital is fixed D. quantity of any one factor is fixed
8	Laws of return apply to firms working in	A. perfect competition B. monopoly C. small firm D. all kinds of market situations
9	Which of the following saying describes diminishing marginal returns in the short run?	A. When the cat is away, the mouse will play B. Too many cooks spoil the broth C. A rolling stone gathers no moss D. A stitch in time saves nine
10	Law of decreasing returns generates	A. law of economic growth B. law of increasing costs C. law of variable costs D. law of decreasing costs
11	Law of diminishing returns applies more in:	A. Industry B. Agriculture C. Mining D. Construction
12	The maximum point of TP curve is at quantity of labour where	A. Average physical product of labour is equal to 1 B. MPP of labour is at its maximum C. curves of APP and MPP of labour intersect D. MPP of labour is zero
13	When business expands beyond its optimum level what type of economics will it be getting.	A. Diseconomies B. Internal economies C. External economies D. Maanagerial economics
		A. occur when increase in input less than proportionate increase in output B. suggest that firm's marginal cost

14	Economies of scale	<p>curve lies above its average cost curve</p> <p>C. suggest that the firm's marginal cost curve is declining</p> <p>D. occur when average cost is falling</p>
15	Which one is the third stage of production under law of variable proportions	<p>A. Decreasing average returns</p> <p>B. Increasing average return</p> <p>C. Negative marginal return</p> <p>D. Increasing marginal return</p>
16	When MP curve cuts AP curve, the AP is at its.	<p>A. Lowest point</p> <p>B. Highest point</p> <p>C. Neither of the two</p> <p>D. Eighter of the two</p>
17	When total product rises marginal product.	<p>A. Remains the same</p> <p>B. Falls</p> <p>C. Also rises</p> <p>D. None of the three</p>
18	When diseconomies of scale outweigh economies of scale the	<p>A. long run AC curve rises</p> <p>B. marginal cost falls</p> <p>C. long run ATC curve falls</p> <p>D. AVC falls</p>
19	Which one will determine scale of production .	<p>A. Financial resources</p> <p>B. Production techniques</p> <p>C. Extant of the market</p> <p>D. All the above</p>
20	An important factor which promotes large scale production is:	<p>A. Extant of market</p> <p>B. Revolutionary changes in social life</p> <p>C. Culture and civilization</p> <p>D. All the three</p>