

Economics Ics Part 1 English Medium Chapter 11 Online Test

Sr	Questions	Answers Choice
1	Economies of scale	A. occur when increase in input less than proportionate increase in output B. suggest that firm's marginal cost curve lies above its average cost curve C. suggest that the firm's marginal cost curve is declining D. occur when average cost is falling
2	Marginal product curve intersects average product curve when AP curve is	A. minimum B. maximum C. rising D. falling
3	Which one is the small scale production.	A. Bata shoe factory B. A barber shop C. kohinoor Textile Industries D. Sufi soap
4	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
5	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
6	The law of variable proportions was presented by.	A. Jevens B. Rayon C. Hicks D. Valentine
7	Which one is the third stage of production under law of variable proportions	A. Decreasing average returns B. Increasing average return C. Negative marginal return D. Increasing marginal return
8	An important factor which promotes large scale production is:	A. Extant of market B. Revolutionary changes in social life C. Culture and civilization D. All the three
9	Marginal product indicates rate of change of	A. total product B. average product C. variable product D. all of the above
10	Laws of return apply to firms working in	A. perfect competition B. monopoly C. small firm D. all kinds of market situations
11	When total product falls, marginal product is.	A. Zero B. Positive C. Negative D. Falling
12	When total product (TP) reaches its maximum, Marginal product (MP) is_	A. Zero B. Positive C. Negative D. Rising
13	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
14	The concept of internal and external economics was given by.	A. Adam Smith B. Robbins C. J.M.Keynes

15	When a firm using a fixed amount of land and capital takes on more workers, it finds that marginal product(MP) of labour falls but the average product(AP) of labour rises. This can be explained by the factors that	<p>A. MP of labour is greater than AP of labour</p> <p>B. additional workers are more efficient</p> <p>C. MP and AP are equal</p> <p>D. AP is maximum</p>
16	Internal economies of scale include	<p>A. risk-bearing economies</p> <p>B. trade mark</p> <p>C. managerial economies</p> <p>D. a and c of above</p>
17	The slopes of average and marginal products curves are always zero under:	<p>A. Law of increasing returns</p> <p>B. Law of diminishing returns</p> <p>C. Law of constant returns</p> <p>D. Law of variable proportions</p>
18	When MP is zero, TP is	<p>A. minimum</p> <p>B. maximum</p> <p>C. rising</p> <p>D. falling</p>
19	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>
20	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>