

Economics ICS Part 1 English Medium Chapter 11 Online Test

Sr	Questions	Answers Choice
1	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
2	Law of diminishing returns is a universal law as:	A. It does apply in all aspects of an economy. B. Basically it applies in agriculture. C. It is hard to check it. D. It applies in industry as well
3	Laws of return apply to firms working in	A. perfect competition B. monopoly C. small firm D. all kinds of market situations
4	When average product falls marginal product	A. Rises B. Also falls C. Remain equal to average product D. Does not change
5	The concept of internal and external economics was given by.	A. Adam Smith B. Robbins C. J.M.Keynes D. Alfred Marshall
6	The law of variable proportions was presented by.	A. Jevons B. Rayon C. Hicks D. Valentine
7	When total product falls, marginal product is.	A. Zero B. Positive C. Negative D. Falling
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 curve intersects average product curve when AP curve is	A. minimum B. maximum C. rising D. falling
10	When average product (AP) and marginal product (MP) are rising.	A. AP > MP B. AP = MP C. AP < MP D. AP = MP = 0
11	When MP is zero, TP is	A. minimum B. maximum C. rising D. falling
12	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
13	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
14	Which one will determine scale of production .	A. Financial resources B. Production techniques C. Extant of the market D. All the above

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	A. MP of labour is grater than AP of labour B. additional workers are more efficient C. MP and AP are equal D. AP is maximum
16	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
17	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
18	The slopes of average and marginal products curves are always zero under:	A. Law of increasing returns B. Law of diminishing returns C. Law of constant returns D. Law of variable proportions
19	Law of diminishing returns applies more in:	A. Industry B. Agriculture C. Mining D. Construction
20	When MP curve cuts AP curve, the AP is at its.	A. Lowest point B. Highest point C. Neither of the two D. Eighter of the two