

## Economics Ics Part 1 English Medium Chapter 11 Online Test

Sr	Questions	Answers Choice
1	In the second stage of the law of variable of proportions the average product:	A. Rises B. Remains constant C. Falls D. None of the three
2	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
3	Which one will determine scale of production .	A. Financial resources B. Production techniques C. Extant of the market D. All the above
4	Marginal product curve intersects average product curve when AP curve is	A. minimum B. maximum C. rising D. falling
5	Law of diminishing returns applies more in:	A. Industry B. Agriculture C. Mining D. Construction
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	Internal economies of scale include	<ul><li>A. risk-bearing economics</li><li>B. trade mark</li><li>C. managerial economies</li><li>D. a and c of above</li></ul>
8	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
9	The production function relates to	A. cost of output B. cost of input C. output to input D. demand to output
10	The concept of internal and external economics was given by.	A. Adam Smith B. Robbins C. J.M.Keynes D. Alfred Marshall
11	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
12	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
13	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
14	The law of variable proportions was presented by.	A. David Ricords B. Alfred Marshall

	··· · · · · · · · · · · · · ·	C. W.J.L. Ryan D. Pareto
15	Laws of return apply to firms working in	<ul><li>A. perfect competition</li><li>B. monopoly</li><li>C. small firm</li><li>D. all kinds of market situations</li></ul>
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	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 propoitions
18	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
19	When diseconomies of scale outweigh economies of scale the	A. long run AC curve rises B. marginal cost falls C. long run ATC curve falls D. AVC falls
20	When average product (AP) and marginal product (MP) are rising.	A. AP > MP B. AP = MP C. AP < MP D. AP = MP = 0