

Principles of Economics Icom Part 1 English Medium Chapter 6 Online Test

Sr	Questions	Answers Choice
1	Which is not included in variable cost	A. price of raw material B. Advertisement expenditures C. rent of building D. wages of labour
2	Reward of Land is called.	A. Rent B. Wage C. Interest D. Profit
3	One of the following is not land:	A. White house B. Sub continents C. Power house D. Both (a) and (b)
4	Demand curve of a monopolist has the shape	A. Falls from left to right B. Rises from left to right C. Remains below MR curve D. Remains parallel to ox-axis
5	Fixed costs are those costs of production which	A. Rise with quantity of output B. Do not change with any amount of production C. Decline with rising production D. None of these
6	What is the reward of Labour ?	A. Rent B. Wage C. Interest D. Profit
7	One of the following is a fixed capital:	A. Raw material B. Machinery C. Saving certificate D. None of these
8	Wages of temporary labourers are	A. Fixed cost B. Marginal cost C. Total cost D. Variable cost
9	When average cost falls marginal cost is ----- average cost	A. More than B. Less than C. Equal to D. A and C
10	Nature of inter-relationship of average revenue and marginal revenue under perfect competition is	A. Average revenue remains more than marginal revenue B. Average revenue remains less than marginal revenue C. Marginal revenue remains less than average revenue D. Average revenue remains equal to marginal revenue
11	In the short period, fixed cost curve has the tendency	A. Parallel to ox-axis B. Parallel to oy-axis C. Positive D. Negative
12	Which one factor is free gift of nature ?	A. Land B. Labour C. Capital D. Organization
13	What is the reward of Organization ?	A. Rent B. Wage C. Interest D. Profit
14	The slope of MR curve in monopoly is	A. Vertical B. Increasing C. Horizontal D. Negative

15	Average revenue is equal to	A. Price B. Total revenue C. Marginal revenue D. Average cost
16	To increase profit a firm minimises	A. revenues B. costs C. demand D. supply
17	Marginal cost curve cuts average cost curve when average cost is	A. Maximum B. Minimum C. Increasing D. Decreasing
18	Which one of the following represents fixed cost	A. Price of raw material B. Wages C. Capital goods D. Wages of permanent labour
19	One of the following is not included in implicit cost	A. Interest of entrepreneur's own capital B. Rent of building C. Reward of entrepreneur's own labour D. Reward of entrepreneur's own land
20	Dividing total fixed costs by the units of output, is attained	A. Average fixed cost B. Average variable cost C. Average cost D. Marginal cost