

Principles of Economics Icom Part 1 English Medium Chapter 8 Online Test

Sr	Questions	Answers Choice
1	Wages of temporary labourers are:	A. Fixed cost B. Marginal cost C. Total cost D. Variable cost
2	Production of the last unit of a factor of production is called	A. Total product B. Average product C. Marginal product D. Positive product
3	According to which theory every factor of production gets the reward of its services equal to its marginal product	A. Demand and supply theory B. Liquidity preference theory C. Marginal productivity theory D. Uncertainty theory
4	At least one factor is fixed in:	A. Market period B. Long period C. Short period D. All of three
5	AR curve is also called:	A. Supply curve B. Demand curve C. Utility curve D. Cost curve
6	If a firm does not produce anything then its variable cost is:	A. Minimum B. Negative C. Maximum D. Zero
7	The rate change in total cost is:	A. TR B. MC C. MR D. TC
8	Cost of a firm on the optimum combination of factors of production is	A. Minimum B. Maximum C. Reasonable D. Positive
9	Firm's cost depends upon:	A. Revenue B. Supply C. Price D. Output
10	Marginal revenue product is the amount of money attained by selling	A. Average product B. Marginal product C. Total product D. None of these
11	Under monopoly the slopes of AR and MR are:	A. Zero B. Positive C. Negative D. None of three
12	Self owned resources are known as:	A. Implicit cost B. Explicit cost C. Opportunity cost D. Sunk cost
13	Which law is applicable on production process under marginal productivity theory	A. Law of increasing return B. Law of constant return C. Law of decreasing return D. Law of decreasing cost
14	Wages of permanent labourers are:	A. Fixed cost B. Marginal cost C. Total cost D. Variable cost
15	$TC = TFC +$:	A. MC B. AR C. TVC D. TAC

16	Demand for factors of production is	A. Direct B. Derived C. Positive D. Negative
17	When AC is falling then:	A. $MC = AC$ B. $AVC = MC$ C. $MC > AC$ D. $MC < AC$
18	Under perfect competition:	A. $AR > MR$ B. $AR < MR$ C. $AR = MR$ D. All of three
19	MPP stand is	A. Marginal price product B. Marginal Physical Product C. Marginal Physical Price D. Marginal Perfect Price
20	Under perfect competition average revenue is equal to:	A. Average cost B. Price C. Marginal revenue D. Both b and c