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

Sr	Questions	Answers Choice
1	If a firm does not produce anything then its variable cost is:	A. Minimum B. Negative C. Maximum D. Zero
2	At least one factor is fixed in:	A. Market period B. Long period C. Short period D. All of three
3	When Ac is rising:	A. AC = MC B. MC > AC C. MC < AC D. Both (b) and (c)
4	Long run average cost curve is:	A. Planning curve B. Envelope curve C. Flatter curve D. All of three
5	Cost of a firm on the optimum combination of factors of production is	A. Minimum B. Maximum C. Reasonable D. Positive
6	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
7	Wages of temporary labourers are:	A. Fixed cost B. Marginal cost C. Total cost D. Variable cost
8	Production of the last unit of a factor of production is called	A. Total product B. Average product C. Marginal product D. Positive product
9	TC = TFC +:	A. MC B. AR C. TVC D. TAC
10	With the increase of output, which cost of production increases:	A. VC B. AC C. FC D. MC
11	Demand for factors of production is	A. Direct B. Derived C. Positive D. Negative
12	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
13	AR curve is also called:	A. Supply curve B. Demand curve C. Utility curve D. Cost curve
14	Tendency of demand curve of a factor of production is	A. Positive B. Negative C. Zero D. Horizontal
15	When AC is falling then:	A. MC = AC B. AVC = MC C. MC > AC D. MC < AC

16	The rate change in total cost is:	A. TR B. MC C. MR D. TC
17	Wages of permanent labourers are:	A. Fixed cost B. Marginal cost C. Total cost D. Variable cost
18	All factors of production are variable in the:	A. Market period B. Long period C. Short period D. All of these
19	According to which economist, some factors are indivisble	A. Adam Smith B. Marshall C. Davenport D. Hobson
20	Under perfect competition average revenue is equal to:	A. Average cost B. Price C. Marginal revenue D. Both b and c
21	Marginal revenue product curve is called	A. Demand curve of the firm B. Supply curve of the firm C. Demand curve of the industry D. Supply curve of industry
22	Amount of money attained by selling marginal product is called	A. Average revenue product B. Marginal revenue product C. Total revenue product D. None of three
23	MC cuts AC at:	A. Maximum point B. Minimum point C. Increasing point D. Decreasing point
24	Self owned resources are known as:	A. Implicit cost B. Explicit cost C. Opportunity cost D. Sunk cost
25	MPP stand is	A. Marginal price product B. Marginal Physical Product C. Marginal Physical Price D. Marginal Perfect Price
26	Fixed cost consists of:	A. Rent B. Salaries C. Interest D. All of them
27	Marginal productivity theory was presented by	A. Adam Smith and Malthus B. Marshall and J.B Clark C. Robbins and Keyness D. Pigou and Cannon
28	Marginal revenue product curve is called	A. Demand curve of firm B. Supply curve of firm C. Demand curve of industry D. Supply curve of industry
29	According to which economist, it is difficult to find marginal product	A. Robbins and Keynes B. Marshall and pigou C. Adam Smith and Mathuls D. Taussing and Davenport
30	Under monopoly the slopes of AR and MR are:	A. Zero B. Positive C. Negative D. None of three
31	In short average cost curve is:	A. Saucer shaped B. Negative slope C. U shaped D. Flatter
32	Firm's cost depends upon:	A. Revenue B. Supply C. Price D. Output
33	Next best alternative use of resources is known as:	A. Implicit cost B. Explicit cost C. Opportunity cost

		C. Opportunity cost D. Sunk cost
34	According to which economist, it is difficult to find marginal product of a factor of production	A. Marshall and pigou B. Adam Smith and Malthus C. Keynes D. Taussing and Davenport
35	Under perfect competition:	A. AR > MR B. AR < MR C. AR = MR D. All of three
36	Marginal revenue product is the amount of money attained by selling	A. Average product B. Marginal product C. Total product D. None of these