

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

Sr	Questions	Answers Choice
1	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
2	Which factor is helpful for earning more income ?	A. Land B. Labour C. Capital D. Organization
3	How many kinds of costs are in the short period	A. Two B. Three C. Four D. Five
4	Rent of the building, interest of the capital and salaries of the permanent staff etc are called	A. Fixed costs B. Variable C. Marginal cost D. Average cost
5	The kind of market, in which a single firm produces a single commodity which has no close substitute	A. Monopoly B. Duopoly C. Oligopoly D. Perfect competition
6	Under perfect competition average revenue is always - - - marginal revenue	A. Equal to B. Less than C. More than D. None of three
7	The slope of MR curve in monopoly is	A. Vertical B. Increasing C. Horizontal D. Negative
8	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
9	When average cost falls marginal cost is ----- average cost	A. More than B. Less than C. Equal to D. A and C
10	When a firm's average total cost is equal to price, then it is called as	A. Normal profit B. Abnormal profit C. Normal loss D. Abnormal loss
11	Average revenue is equal to	A. Price B. Total revenue C. Marginal revenue D. Average cost
12	The shape of average cost curve in the short period is	A. Vertical B. Horizontal C. Positively sloping D. Like English alphabet U
13	Which one factor is free gift of nature ?	A. Land B. Labour C. Capital D. Organization
14	Reward of Land is called.	A. Rent B. Wage C. Interest D. Profit

15	What is the reward of Organization ?	A. Rent B. Wage C. Interest D. Profit
16	The costs which the firm has to bear in every condition in the short period, are called	A. Total costs B. Fixed costs C. Variable costs D. Marginal costs
17	Which one is immobile factor ?	A. Land B. Labour C. Capital D. Organization
18	In perfect competition the average revenue curve is	A. Vertical B. Horizontal C. Rising D. Declining
19	When total revenue is maximum, marginal revenue is	A. More B. Less C. Constant D. Zero
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
