

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

Sr	Questions	Answers Choice
1	When average cost curve is rising, then marginal cost curve	A. Remains below it B. Remains above it C. Remains parallel to it D. Is vertical
2	The shape of average cost curve in the short period is	A. Vertical B. Horizontal C. Positively sloping D. Like English alphabet U
3	Price of raw material, wages of temporary labourers, transport costs etc, are called	A. Fixed costs B. Variable costs C. Marginal cost D. Total cost
4	What is the reward of Organization ?	A. Rent B. Wage C. Interest D. Profit
5	Short run cost curves are generally	A. flatter B. u shaped C. saucer shaped D. oval
6	One of the following is considered as capital:	A. Land B. Labour C. Raw material D. Both (a) and (b)
7	Total expenditures which a firm bear to produce a particular quantity of output	A. Fixed costs B. Variable costs C. Total costs D. Average fixed cost
8	What is the reward of Labour ?	A. Rent B. Wage C. Interest D. Profit
9	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
10	The slope of MR curve in monopoly is	A. Vertical B. Increasing C. Horizontal D. Negative
11	In perfect competition the average revenue curve is	A. Vertical B. Horizontal C. Rising D. Declining
12	Dividing total revenue by the sold units of output, is attained	A. Average revenue B. Marginal revenue C. Total revenue D. Average cost
13	The amount of money which a firm gets by selling a particular quantity of output, is called	A. Average revenue B. Marginal revenue C. Total revenue D. Fixed cost
14	When average cost increases, marginal cost is - - - - - average cost	A. Less than B. More than C. Equal to D. None of three
15	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

16 Which one factor is free gift of nature ?
A. Land
B. Labour
C. Capital
D. Organization

17 Which one of the following represents fixed cost
A. Price of raw material
B. Wages
C. Capital goods
D. **Wages of permanent labour**

18 Which one is comparatively the most important factor ?
A. Land
B. **Labour**
C. Capital
D. Organization

19 How many kinds of costs are in the short period
A. Two
B. Three
C. Four
D. Five

20 Which factor is helpful for earning more income ?
A. Land
B. Labour
C. **Capital**
D. Organization
