

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

Sr	Questions	Answers Choice
1	To increase profit a firm minimises	A. revenues B. costs C. demand D. supply
2	One of the following is not land:	A. White house B. Sub continents C. Power house D. Both (a) and (b)
3	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
4	Additional amount of money which a firm gets by selling an additional unit of output is called	A. Average revenue B. Marginal revenue C. Total revenue D. Revenue
5	Which one of the following represents fixed cost	A. Price of raw material B. Wages C. Capital goods D. Wages of permanent labour
6	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
7	How many kinds of costs are in the short period	A. Two B. Three C. Four D. Five
8	Marginal cost curve cuts average cost curve when average cost is	A. Maximum B. Minimum C. Increasing D. Decreasing
9	When average cost curve is falling, then marginal cost curve	A. Remains below it B. Remains above it C. Remains parallel to it D. Is vertical
10	Which curve represents demand curve also	A. Marginal revenue B. Average revenue C. Total revenue D. Marginal cost
11	All the factors production can be hired except.	A. Land B. Labour C. Capital D. Organization
12	When total revenue is maximum, marginal revenue is	A. More B. Less C. Constant D. Zero
13	Average revenue is equal to	A. Price B. Total revenue C. Marginal revenue D. Average cost
14	Which one factor is free gift of nature ?	A. Land B. Labour C. Capital D. Organization
15	The factor of production which is result of human struggle.	A. Land B. Labour C. Capital D. Organization

16	When average cost falls, marginal cost is - - - - - average cost	A. Less than B. More than C. Equal to D. None of three
17	When production of a firm increases then total variable costs	A. Decrease B. Increase C. Remain constant D. Do not change
18	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
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	The costs which a firm bear only in case of producing commodities	A. Fixed costs B. Variable costs C. Total costs D. Average fixed cost
