

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

Sr	Questions	Answers Choice
1	How many kinds of costs are in the short period	A. Two B. Three C. Four D. Five
2	Which is not included in variable cost	A. price of raw material B. Advertisement expenditures C. rent of building D. wages of labour
3	Slope of average revenue and marginal revenue curves under monopoly is	A. positive B. negative C. zero D. none of three
4	Short run cost curves are generally	A. flatter B. u shaped C. saucer shaped D. oval
5	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
6	What is the reward of Organization ?	A. Rent B. Wage C. Interest D. Profit
7	Dividing total variable costs by the units of output, is attained	A. Average fixed cost B. Average variable cost C. Average cost D. Marginal cost
8	Which factor combines other three factors ?	A. Land B. Labour C. Capital D. Organization
9	Which factor is helpful for earning more income ?	A. Land B. Labour C. Capital D. Organization
10	When average cost falls marginal cost is ----- average cost	A. More than B. Less than C. Equal to D. A and C
11	Average cost curve is in short run	A. Negative sloped B. U-shaped C. L-shaped D. Positive sloped
12	Marginal cost curve cuts average cost curve when average cost is	A. Maximum B. Minimum C. Increasing D. Decreasing
13	Wages of temporary labourers are	A. Fixed cost B. Marginal cost C. Total cost D. Variable cost
14	Reward of capital is called	A. Rent B. Wage C. Interest D. Profit
15	To increase profit a firm minimises	A. revenues B. costs C. demand D. supply

16	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
17	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
18	One of the following is considered as capital:	A. Land B. Labour C. Raw material D. Both (a) and (b)
19	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
20	The slope of MR curve in monopoly is	A. Vertical B. Increasing C. Horizontal D. Negative