

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

Sr	Questions	Answers Choice
1	When total revenue is maximum, marginal revenue is	A. More B. Less C. Constant D. Zero
2	When average cost is minimum, marginal cost is ----- average cost	A. Less than B. More than C. Equal to D. None of three
3	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
4	Average revenue is equal to	A. Price B. Total revenue C. Marginal revenue D. Average cost
5	One of the following is considered as capital:	A. Land B. Labour C. Raw material D. Both (a) and (b)
6	Dividing total revenue by the sold units of output, is attained	A. Average revenue B. Marginal revenue C. Total revenue D. Average cost
7	Wages of temporary labourers are	A. Fixed cost B. Marginal cost C. Total cost D. Variable cost
8	The additional cost which a firm has to bear in order to produce additional unit of output, are called	A. Average cost B. Marginal cost C. Fixed costs D. Variable costs
9	Demand curve of a monopolist has the shape	A. Falls from left to right B. Rises from left to right C. Remains below MR curve D. Remains parallel to ox-axis
10	Under perfect competition average revenue is always - - - marginal revenue	A. Equal to B. Less than C. More than D. None of three
11	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
12	When production of a firm increases then total variable costs	A. Decrease B. Increase C. Remain constant D. Do not change
13	Reward of capital is called	A. Rent B. Wage C. Interest D. Profit
14	In perfect competition the average revenue curve is	A. Vertical B. Horizontal C. Rising D. Declining

15 When average cost falls, marginal cost is - - - - - average cost  
A. Less than  
B. More than  
C. Equal to  
D. None of these

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16 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

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17 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

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18 The factor of production which is result of human struggle.  
A. Land  
B. Labour  
C. Capital  
D. Organization

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

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20 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