

## 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	One of the following is not land:	A. White house B. Sub continents C. Power house D. Both (a) and (b)
3	The shape of average cost curve in the short period is	A. Vertical B. Horizontal C. Positively sloping D. Like English alphabet U
4	Which one is comparatively the most important factor ?	A. Land B. Labour C. Capital D. Organization
5	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
6	In perfect competition the average revenue curve is	A. Vertical B. Horizontal C. Rising D. Declining
7	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
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	Dividing total costs by the units of output is attained	A. Average fixed cost B. Average cost C. Average variable cost D. Marginal cost
10	Under monopoly average revenue curve remains _____ the marginal revenue curve	A. Below B. Above C. Parallel to D. None of three
11	When production of a firm increases then total variable costs	A. Decrease B. Increase C. Remain constant D. Do not change
12	Average cost curve is in short run	A. Negative sloped B. U-shaped C. L-shaped D. Positive sloped
13	Dividing total revenue by the sold units of output, is attained	A. Average revenue B. Marginal revenue C. Total revenue D. Average cost
14	When average cost increases, marginal cost is - - - - - average cost	A. Less than B. More than C. Equal to D. None of three

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15	The demand curve for monopolist is also called	A. Total revenue B. Average revenue C. Marginal revenue D. Zero revenue
16	When average cost is minimum, marginal cost is - - - - - average cost	A. Less than B. More than C. Equal to D. None of three
17	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
18	Which is not included in variable cost	A. price of raw material B. Advertisement expenditures C. rent of building D. wages of labour
19	To increase profit a firm minimises	A. revenues B. costs C. demand D. supply
20	What is the reward of Labour ?	A. Rent B. Wage C. Interest D. Profit

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