

## 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	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
3	Which one is comparatively the most important factor ?	A. Land B. Labour C. Capital D. Organization
4	Reward of Land is called.	A. Rent B. Wage C. Interest D. Profit
5	Under monopoly average revenue curve remains _____ the marginal revenue curve	A. Below B. Above C. Parallel to D. None of three
6	When average cost falls marginal cost is ----- average cost	A. More than B. Less than C. Equal to D. A and C
7	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
8	Under perfect competition average revenue is always - - - marginal revenue	A. Equal to B. Less than C. More than D. None of three
9	The demand curve for monopolist is also called	A. Total revenue B. Average revenue C. Marginal revenue D. Zero revenue
10	When production of a firm increases then total variable costs	A. Decrease B. Increase C. Remain constant D. Do not change
11	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
12	Which one factor is free gift of nature ?	A. Land B. Labour C. Capital D. Organization
13	Which is the Demand Curve of a firm	A. Average Revenue Curve B. Marginal Revenue Curve C. Total Revenue Curve D. Average cost curve
14	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
15	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

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16 Marginal cost curve cuts average cost curve when average cost is  
A. Maximum  
B. Minimum  
C. Increasing  
D. Decreasing

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17 When average cost is minimum, marginal cost is ----- average cost  
A. Less than  
B. More than  
C. Equal to  
D. None of three

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18 All the factors production can be hired except.  
A. Land  
B. Labour  
C. Capital  
D. Organization

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

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20 Which curve represents demand curve also  
A. Marginal revenue  
B. Average revenue  
C. Total revenue  
D. Marginal cost

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