

## Principles of Economics Icom Part 1 English Medium Chapter 7 Online Test

Sr	Questions	Answers Choice
1	To increase profit a firm minimizes	A. Revenues B. Costs C. Demand D. Supply
2	When a firm earns abnormal profit in the short run, then its	A. MC=MR=AR=AC all are equal B. MC=MR=AR while AC is less C. MC=MR=AR while AC is more D. MC=MR=AR while AV is sometimes equal to them and sometimes less than tham
3	In monopoly, when total revenue of a firm is maximum, then its marginal revenue is	A. Maximum B. Minimum C. Zero D. Negative
4	A firm is in equilibrium when its	A. Marginal revenue is equal to marginal cost B. Marginal revenue is more than marginal cost C. Marginal revenue is less than marginal cost D. Marginal revenue is equal to average cost
5	A monopolistic firm has control of	A. Whole market supply by one firm B. Whole market supply by two firms C. Whole market supply by a few firms D. None of these
6	According to neo classical approach, output is the function of:	A. Labour B. Capital C. Organization D. Both (a) and (b)
7	Law of increasing return is more applicable in:	A. Trade sector B. Industrial sector C. Agricultural sector D. Power sector
8	A monopolist controls the supply	A. Totally B. Partially C. More D. Not at all
9	If the equation is this, MC=MR=AR(P) <ac firm<="" td="" the="" then=""><td>A. Earns normal profit B. Earns abnormal profit C. Bears loss D. Bears abnormal loss</td></ac>	A. Earns normal profit B. Earns abnormal profit C. Bears loss D. Bears abnormal loss
10	If there are large number of firms in some particular industry, then situation is called	A. Perfect competition B. Imperfect competition C. Monopoly D. Monopolistic competition
11	If the demand for commodity being produced increases, then a firm in the short run its variable factors	A. Increases B. Decreases C. Keeps the same D. None of three
12	When total production decreases, marginal product is:	A. Positive B. Negative C. Zero D. Infinite
13	The formula of calculating total revenue is	A. P x Q B. P x AC C. AC x Q D. TC / Q
14	The difference between total revenue (TR) and total cost (TC) is called	A. Loss B. Profit C. Profit or loss

D. Utility
A. Earns normal profit B. Earns abnormal profit C. Bears minimum loss D. Bears abnormal loss
<ul><li>A. Earns normal profit</li><li>B. Earns abnormal profit</li><li>C. Bears minimum loss</li><li>D. Bears abnormal loss</li></ul>
A. Increasing cost B. Constant cost C. Diminishing cost D. Both (a) and (c)
A. MC=AR B. MC=MR C. MC=AVC D. MC=AC
A. Equal than unity B. Less than unity C. more than unity D. Zero
A. Increasing cost B. Constant cost C. Diminishing cost D. Both (a) and (c)