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

Sr	Questions	Answers Choice
1	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
2	Law of diminishing return is more applicable in:	A. Trade sector B. Industrial sector C. Agricultural sector D. Education sector
3	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
4	The formula of calculating total revenue is	A. P x Q B. P x AC C. AC x Q D. TC / Q
5	A monopolist firm usually earns	A. Normal profit B. Abnormal profit C. Minimum loss D. Abnormal loss
6	When total production decreases, marginal product is:	A. Positive B. Negative C. Zero D. Infinite
7	Monopoly is opposite to	A. Perfect competition B. Imperfect competition C. Perfect competition and imperfect competition both D. Oligopoly
8	According to neo classical approach, output is the function of:	A. Labour B. Capital C. Organization D. Both (a) and (b)
9	Law of increasing return is more applicable in:	A. Trade sector B. Industrial sector C. Agricultural sector D. Power sector
10	When total production increases, marginal product is:	A. Positive B. Negative C. Zero D. Infinite
11	Under perfect competition, marginal revenue and average revenue curves	A. Moves from left to right upward B. Moves from left to right downward C. Remain parallel to x-axis D. Remain parallel to y-axis
12	Law of decreasing return is also known as:	A. Increasing cost B. Constant cost C. Diminishing cost D. Both (a) and (c)
13	Monopolist firm in the long run	A. Always faces loss B. Usually faces loss C. Usually earns normal profit D. Always earns abnormal profit
14	If a monopolist wants to increase the sale of its product, it will have to --------- the price of its good	A. Decrease B. Increase C. Keep constant

		D. None of the three
15	If the equation is this, MC=MR-AR(P)=AC, then the firm	A. Earns normal profit B. Earns abnormal profit C. Bears minimum loss D. Bears abnormal loss
16	Tendency of average revenue curve under monopoly is alwaus	A. Falls down B. Parallel to x-axis C. Rises up D. Parallel to y-axis
17	When average product is maximum, marginal product is:	A. Positive B. Equal to AP C. Zero D. Negative
18	When average product increases, marginal product is:	A. Also increases B. Decreases C. Zero D. Negative
19	Speed of increase in total revenue remains equal with the increase in output	A. Under monopoly B. Under oligopoly C. Under perfect competition D. Under pure competition
20	When total revenue and total cost of a firm are equal, the firm earns	A. Abnormal profit B. Normal profit C. Normal loss D. Abnormal loss