

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

Sr	Questions	Answers Choice
1	When average product is maximum, marginal product is:	A. Positive B. Equal to AP C. Zero D. Negative
2	Monopoly is opposite to	A. Perfect competition B. Imperfect competition C. Perfect competition and imperfect competition both D. Oligopoly
3	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
4	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
5	To increase profit a firm minimizes	A. Revenues B. Costs C. Demand D. Supply
6	When average product increases, marginal product is:	A. Also increases B. Decreases C. Zero D. Negative
7	The difference between total revenue (TR) and total cost (TC) is called	A. Loss B. Profit C. Profit or loss D. Utility
8	Law of diminishing return is more applicable in:	A. Trade sector B. Industrial sector C. Agricultural sector D. Education sector
9	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
10	Law of increasing return is more applicable in:	A. Trade sector B. Industrial sector C. Agricultural sector D. Power sector
11	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
12	If variable costs of a firm are covered partly under perfect competition, then that firm	A. Will run with normal profit B. Will run with abnormal profit C. Will run with minimum loss D. Will not continue its business and close down
13	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
14	Law of increasing return is also known as:	A. Increasing cost B. Constant cost C. Diminishing cost D. Both (a) and (c)
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15	When total production decreases, marginal product is:	A. Positive B. Negative C. Zero D. Infinite
16	Laws of returns are also known as:	A. Laws of substitution B. Laws of consumption C. Laws of cost D. All of three
17	Usually elasticity of demand in equilibrium situation under monopoly is	A. Equal than unity B. Less than unity C. more than unity D. Zero
18	Firms equilibrium is at that point where	A. MC=AR B. MC=MR C. MC=AVC D. MC=AC
19	Till marginal cost curve remains below the marginal revenue curve, from the economic point of view, increase in production for a firm is	A. Beneficial B. Unbeneficial C. May be beneficial or unbeneficial D. Neither beneficial nor unbeneficial
20	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