

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

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Sr	Questions	Answers Choice
1	What can a firm do in the short run	A. Firm can increase its plants B. Firm can expand its building C. New firm can not enter the business D. New firm can enter the business
2	The formula of calculating total revenue is	A. P x Q B. P x AC C. AC x Q D. TC / Q
3	Firm earns abnormal profit, when	A. AC=AR B. AR>AC C. AR⁢AC D. AC=MC
4	Monopoly is opposite to	A. Perfect competition B. Imperfect competition C. Perfect competition and imperfect competition both D. Oligopoly
5	Firm earns maximum profit at the point where	A. Difference between total costs and total revenue is highest and the total revenue curve is above B. Total costs and total revenue curves intersect each other C. Total costs curve is above the total revenue curve D. Difference between total costs and total revenue is minimum
6	When total production is maximum, marginal product is:	A. Positive B. Negative C. Zero D. Infinite
7	When total production increases, marginal product is:	A. Positive B. Negative C. Zero D. Infinite
8	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
9	To increase profit a firm minimizes	A. Revenues B. Costs C. Demand D. Supply
10	Usually elasticity of demand in equilibrium situation under monopoly is	A. Equal than unity B. Less than unity C. more than unity D. Zero
11	Under monopoly, in the long run a firm	A. Earns normal profit B. Earns abnormal profit C. Bears minimum loss D. Bears abnormal loss
12	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
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

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