

Principles of Economics Icom Part 1 English Medium Chapter 8 Online Test

| Sr | Questions | Answers Choice |
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| 1 | Under perfect competition: | A. $AR > MR$ B. $AR < MR$ C. $AR = MR$ D. All of three |
| 2 | Marginal revenue product is the amount of money attained by selling | A. Average product B. Marginal product C. Total product D. None of these |
| 3 | Tendency of demand curve of a factor of production is | A. Positive B. Negative C. Zero D. Horizontal |
| 4 | Wages of permanent labourers are: | A. Fixed cost B. Marginal cost C. Total cost D. Variable cost |
| 5 | When Ac is rising: | A. $AC = MC$ B. $MC > AC$ C. $MC < AC$ D. Both (b) and (c) |
| 6 | Marginal revenue product curve is called | A. Demand curve of firm B. Supply curve of firm C. Demand curve of industry D. Supply curve of industry |
| 7 | According to which economist, it is difficult to find marginal product | A. Robbins and Keynes B. Marshall and pigou C. Adam Smith and Mathuls D. Taussing and Davenport |
| 8 | With the increase of output, which cost of production increases: | A. VC B. AC C. FC D. MC |
| 9 | According to which economist, some factors are indivisible | A. Adam Smith B. Marshall C. Davenport D. Hobson |
| 10 | Demand for factors of production is | A. Direct B. Derived C. Positive D. Negative |
| 11 | In short average cost curve is: | A. Saucer shaped B. Negative slope C. U shaped D. Flatter |
| 12 | Firm's cost depends upon: | A. Revenue B. Supply C. Price D. Output |
| 13 | Marginal revenue product curve is called | A. Demand curve of the firm B. Supply curve of the firm C. Demand curve of the industry D. Supply curve of industry |
| 14 | Under monopoly the slopes of AR and MR are: | A. Zero B. Positive C. Negative D. None of three |
| 15 | When AC is falling then: | A. $MC = AC$ B. $AVC = MC$ C. $MC > AC$ D. $MC < AC$ |

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| 16 | Marginal productivity theory was presented by | A. Adam Smith and Malthus B. Marshall and J.B Clark C. Robbins and Keynes D. Pigou and Cannon |
| 17 | Long run average cost curve is: | A. Planning curve B. Envelope curve C. Flatter curve D. All of three |
| 18 | Wages of temporary labourers are: | A. Fixed cost B. Marginal cost C. Total cost D. Variable cost |
| 19 | If a firm does not produce anything then its variable cost is: | A. Minimum B. Negative C. Maximum D. Zero |
| 20 | Next best alternative use of resources is known as: | A. Implicit cost B. Explicit cost C. Opportunity cost D. Sunk cost |