

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

Sr	Questions	Answers Choice
1	MPP stand is	A. Marginal price product B. Marginal Physical Product C. Marginal Physical Price D. Marginal Perfect Price
2	Under perfect competition average revenue is equal to:	A. Average cost B. Price C. Marginal revenue D. Both b and c
3	Under perfect competition:	A. $AR > MR$ B. $AR < MR$ C. $AR = MR$ D. All of three
4	All factors of production are variable in the:	A. Market period B. Long period C. Short period D. All of these
5	With the increase of output, which cost of production increases:	A. VC B. AC C. FC D. MC
6	The rate change in total cost is:	A. TR B. MC C. MR D. TC
7	When AC is falling then:	A. $MC = AC$ B. $AVC = MC$ C. $MC > AC$ D. $MC < AC$
8	Long run average cost curve is:	A. Planning curve B. Envelope curve C. Flatter curve D. All of three
9	Firm's cost depends upon:	A. Revenue B. Supply C. Price D. Output
10	If a firm does not produce anything then its variable cost is:	A. Minimum B. Negative C. Maximum D. Zero
11	Which law is applicable on production process under marginal productivity theory	A. Law of increasing return B. Law of constant return C. Law of decreasing return D. Law of decreasing cost
12	In short average cost curve is:	A. Saucer shaped B. Negative slope C. U shaped D. Flatter
13	According to which theory every factor of production gets the reward of its services equal to its marginal product	A. Demand and supply theory B. Liquidity preference theory C. Marginal productivity theory D. Uncertainty theory
14	Amount of money attained by selling marginal product is called	A. Average revenue product B. Marginal revenue product C. Total revenue product D. None of three
15	Tendency of demand curve of a factor of production is	A. Positive B. Negative C. Zero D. Horizontal

16	At least one factor is fixed in:	A. Market period B. Long period C. Short period D. All of three
17	Self owned resources are known as:	A. Implicit cost B. Explicit cost C. Opportunity cost D. Sunk cost
18	Wages of temporary labourers are:	A. Fixed cost B. Marginal cost C. Total cost D. Variable cost
19	Production of the last unit of a factor of production is called	A. Total product B. Average product C. Marginal product D. Positive product
20	Demand for factors of production is	A. Direct B. Derived C. Positive D. Negative