

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

Sr	Questions	Answers Choice
1	With the increase of output, which cost of production increases:	A. VC B. AC C. FC D. MC
2	Under perfect competition:	A. $AR > MR$ B. $AR < MR$ C. $AR = MR$ D. All of three
3	Marginal revenue product is the amount of money attained by selling	A. Average product B. Marginal product C. Total product D. None of these
4	According to which economist, it is difficult to find marginal product of a factor of production	A. Marshall and pigou B. Adam Smith and Malthus C. Keynes D. Taussing and Davenport
5	$TC = TFC +$:	A. MC B. AR C. TVC D. TAC
6	Wages of temporary labourers are:	A. Fixed cost B. Marginal cost C. Total cost D. Variable cost
7	Wages of permanent labourers are:	A. Fixed cost B. Marginal cost C. Total cost D. Variable cost
8	When AC is falling then:	A. $MC = AC$ B. $AVC = MC$ C. $MC > AC$ D. $MC < AC$
9	Cost of a firm on the optimum combination of factors of production is	A. Minimum B. Maximum C. Reasonable D. Positive
10	At least one factor is fixed in:	A. Market period B. Long period C. Short period D. All of three
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	Under perfect competition average revenue is equal to:	A. Average cost B. Price C. Marginal revenue D. Both b and c
13	In short average cost curve is:	A. Saucer shaped B. Negative slope C. U shaped D. Flatter
14	The rate change in total cost is:	A. TR B. MC C. MR D. TC
15	Under monopoly the slopes of AR and MR are:	A. Zero B. Positive C. Negative D. None of three

16	Tendency of demand curve of a factor of production is	A. Positive B. Negative C. Zero D. Horizontal
17	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
18	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
19	Firm's cost depends upon:	A. Revenue B. Supply C. Price D. Output
20	Self owned resources are known as:	A. Implicit cost B. Explicit cost C. Opportunity cost D. Sunk cost