

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

Sr	Questions	Answers Choice
1	At least one factor is fixed in:	A. Market period B. Long period C. Short period D. All of three
2	When Ac is rising:	A. AC = MC B. MC > AC C. MC < AC D. Both (b) and (c)
3	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
4	Demand for factors of production is	A. Direct B. Derived C. Positive D. Negative
5	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
6	Under perfect competition average revenue is equal to:	A. Average cost B. Price C. Marginal revenue D. Both b and c
7	Marginal revenue product is the amount of money attained by selling	A. Average product B. Marginal product C. Total product D. None of these
8	Self owned resources are known as:	A. Implicit cost B. Explicit cost C. Opportunity cost D. Sunk cost
9	MC cuts AC at:	A. Maximum point B. Minimum point C. Increasing point D. Decreasing point
10	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
11	AR curve is also called:	A. Supply curve B. Demand curve C. Utility curve D. Cost curve
12	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
13	When AC is falling then:	A. MC = AC B. AVC = MC C. MC > AC D. MC < AC
14	If a firm does not produce anything then its variable cost is:	A. Minimum B. Negative C. Maximum D. Zero
15	Next best alternative use of resources is known as:	A. Implicit cost B. Explicit cost C. Opportunity cost D. Sunk cost

16	Under perfect competition:	A. AR > MR B. AR < MR C. AR = MR D. All of three
17	Wages of temporary labourers are:	A. Fixed cost B. Marginal cost C. Total cost D. Variable cost
18	With the increase of output, which cost of production increases:	A. VC B. AC C. FC D. MC
19	In short average cost curve is:	A. Saucer shaped B. Negative slope C. U shaped D. Flatter
20	Fixed cost consists of:	A. Rent B. Salaries C. Interest D. All of them