

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

Sr	Questions	Answers Choice
1	If a firm does not produce anything then its variable cost is:	A. Minimum B. Negative C. Maximum D. Zero
2	In short average cost curve is:	A. Saucer shaped B. Negative slope C. U shaped D. Flatter
3	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
4	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
5	MC cuts AC at:	A. Maximum point B. Minimum point C. Increasing point D. Decreasing point
6	Long run average cost curve is:	A. Planning curve B. Envelope curve C. Flatter curve D. All of three
7	When AC is falling then:	A. MC = AC B. AVC = MC C. MC > AC D. MC < AC
8	Tendency of demand curve of a factor of production is	A. Positive B. Negative C. Zero D. Horizontal
9	Production of the last unit of a factor of production is called	A. Total product B. Average product C. Marginal product D. Positive product
10	With the increase of output, which cost of production increases:	A. VC B. AC C. FC D. MC
11	Fixed cost consists of:	A. Rent B. Salaries C. Interest D. All of them
12	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
13	At least one factor is fixed in:	A. Market period B. Long period C. Short period D. All of three
14	Next best alternative use of resources is known as:	A. Implicit cost B. Explicit cost C. Opportunity cost D. Sunk cost
15	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

16	Wages of temporary labourers are:	A. Fixed cost B. Marginal cost C. Total cost D. Variable cost
17	The rate change in total cost is:	A. TR B. MC C. MR D. TC
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	Under monopoly the slopes of AR and MR are:	A. Zero B. Positive C. Negative D. None of three
20	Demand for factors of production is	A. Direct B. Derived C. Positive D. Negative