

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

Sr	Questions	Answers Choice
1	In short average cost curve is:	A. Saucer shaped B. Negative slope C. U shaped D. Flatter
2	Fixed cost consists of:	A. Rent B. Salaries C. Interest D. All of them
3	AR curve is also called:	A. Supply curve B. Demand curve C. Utility curve D. Cost curve
4	MC cuts AC at:	A. Maximum point B. Minimum point C. Increasing point D. Decreasing point
5	Production of the last unit of a factor of production is called	A. Total product B. Average product C. Marginal product D. Positive product
6	When AC is falling then:	A. $MC = AC$ B. $AVC = MC$ C. $MC > AC$ D. $MC < AC$
7	Under perfect competition:	A. $AR > MR$ B. $AR < MR$ C. $AR = MR$ D. All of three
8	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
9	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
10	If a firm does not produce anything then its variable cost is:	A. Minimum B. Negative C. Maximum D. Zero
11	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
12	With the increase of output, which cost of production increases:	A. VC B. AC C. FC D. MC
13	All factors of production are variable in the:	A. Market period B. Long period C. Short period D. All of these
14	Under perfect competition average revenue is equal to:	A. Average cost B. Price C. Marginal revenue D. Both b and c
15	Wages of permanent labourers are:	A. Fixed cost B. Marginal cost C. Total cost D. Variable cost

16	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
17	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
18	$TC = TFC +$:	A. MC B. AR C. TVC D. TAC
19	Long run average cost curve is:	A. Planning curve B. Envelope curve C. Flatter curve D. All of three
20	Self owned resources are known as:	A. Implicit cost B. Explicit cost C. Opportunity cost D. Sunk cost