

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

Sr	Questions	Answers Choice
1	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
2	Self owned resources are known as:	A. Implicit cost B. Explicit cost C. Opportunity cost D. Sunk cost
3	Next best alternative use of resources is known as:	A. Implicit cost B. Explicit cost C. Opportunity cost D. Sunk cost
4	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
5	Wages of temporary labourers are:	A. Fixed cost B. Marginal cost C. Total cost D. Variable cost
6	According to which economist, some factors are indivisible	A. Adam Smith B. Marshall C. Davenport D. Hobson
7	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
8	Under monopoly the slopes of AR and MR are:	A. Zero B. Positive C. Negative D. None of three
9	MPP stand is	A. Marginal price product B. Marginal Physical Product C. Marginal Physical Price D. Marginal Perfect Price
10	Production of the last unit of a factor of production is called	A. Total product B. Average product C. Marginal product D. Positive product
11	All factors of production are variable in the:	A. Market period B. Long period C. Short period D. All of these
12	Firm's cost depends upon:	A. Revenue B. Supply C. Price D. Output
13	Under perfect competition:	A. $AR > MR$ B. $AR < MR$ C. $AR = MR$ D. All of three
14	AR curve is also called:	A. Supply curve B. Demand curve C. Utility curve D. Cost curve
15	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

16 When AC is falling then:

A. $MC = AC$
B. $AVC = MC$
C. $MC > AC$
D. $MC < AC$

17 Marginal revenue product is the amount of money attained by selling

A. Average product
B. Marginal product
C. Total product
D. None of these

18 Demand for factors of production is

A. Direct
B. Derived
C. Positive
D. Negative

19 Long run average cost curve is:

A. Planning curve
B. Envelope curve
C. Flatter curve
D. All of three

20 With the increase of output, which cost of production increases:

A. VC
B. AC
C. FC
D. MC
