

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

Sr	Questions	Answers Choice
1	MC cuts AC at:	A. Maximum point B. Minimum point C. Increasing point D. Decreasing point
2	Production of the last unit of a factor of production is called	A. Total product B. Average product C. Marginal product D. Positive product
3	With the increase of output, which cost of production increases:	A. VC B. AC C. FC D. MC
4	Long run average cost curve is:	A. Planning curve B. Envelope curve C. Flatter curve D. All of three
5	The rate change in total cost is:	A. TR B. MC C. MR D. TC
6	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
7	Demand for factors of production is	A. Direct B. Derived C. Positive D. Negative
8	At least one factor is fixed in:	A. Market period B. Long period C. Short period D. All of three
9	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
10	Tendency of demand curve of a factor of production is	A. Positive B. Negative C. Zero D. Horizontal
11	Under perfect competition average revenue is equal to:	A. Average cost B. Price C. Marginal revenue D. Both b and c
12	Wages of permanent labourers are:	A. Fixed cost B. Marginal cost C. Total cost D. Variable cost
13	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
14	Marginal productivity theory was presented by	A. Adam Smith and Malthus B. Marshall and J.B Clark C. Robbins and Keynes D. Pigou and Cannon
15	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

16	Fixed cost consists of:	A. Rent B. Salaries C. Interest D. All of them
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	When AC is falling then:	A. $MC = AC$ B. $AVC = MC$ C. $MC > AC$ D. $MC < AC$
19	Marginal revenue product is the amount of money attained by selling	A. Average product B. Marginal product C. Total product D. None of these
20	Under monopoly the slopes of AR and MR are:	A. Zero B. Positive C. Negative D. None of three
