

## 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 of a factor of production | A. Marshall and pigou<br>B. Adam Smith and Malthus<br>C. Keynes<br>D. Taussing and Davenport                         |
| 2  | Long run average cost curve is:  | A. Planning curve<br>B. Envelope curve<br>C. Flatter curve<br>D. All of three  |
| 3  | Marginal revenue product is the amount of money attained by selling                              | A. Average product<br>B. Marginal product<br>C. Total product<br>D. None of these                                    |
| 4  | TC = TFC +:  | A. MC<br>B. AR<br>C. TVC<br>D. TAC   |
| 5  | Under perfect competition:   | A. AR > MR<br>B. AR < MR<br>C. AR = MR<br>D. All of three  |
| 6  | Tendency of demand curve of a factor of production is  | A. Positive<br>B. Negative<br>C. Zero<br>D. Horizontal   |
| 7  | MPP stand is   | A. Marginal price product<br>B. Marginal Physical Product<br>C. Marginal Physical Price<br>D. Marginal Perfect Price |
| 8  | All factors of production are variable in the:   | A. Market period<br>B. Long period<br>C. Short period<br>D. All of these   |
| 9  | Marginal revenue product curve is called   | A. Demand curve of firm<br>B. Supply curve of firm<br>C. Demand curve of industry<br>D. Supply curve of industry     |
| 10 | Firm's cost depends upon:  | A. Revenue<br>B. Supply<br>C. Price<br>D. Output   |
| 11 | AR curve is also called:   | A. Supply curve<br>B. Demand curve<br>C. Utility curve<br>D. Cost curve  |
| 12 | If a firm does not produce anything then its variable cost is:                                   | A. Minimum<br>B. Negative<br>C. Maximum<br>D. Zero   |
| 13 | Wages of permanent labourers are:  | A. Fixed cost<br>B. Marginal cost<br>C. Total cost<br>D. Variable cost   |
| 14 | Demand for factors of production is  | A. Direct<br>B. Derived<br>C. Positive<br>D. Negative  |
| 15 | Marginal productivity theory was presented by  | A. Adam Smith and Malthus<br>B. Marshall and J.B Clark<br>C. Robbins and Keynes<br>D. Pigou and Cannon               |

---

|    |  |  |
|----|--|--|
| 16 | When Ac is rising:   | A. AC = MC<br>B. MC > AC<br>C. MC < AC<br>D. Both (b) and (c)  |
| 17 | Marginal revenue product curve is called                         | A. Demand curve of the firm<br>B. Supply curve of the firm<br>C. Demand curve of the industry<br>D. Supply curve of industry |
| 18 | With the increase of output, which cost of production increases: | A. VC<br>B. AC<br>C. FC<br>D. MC   |
| 19 | In short average cost curve is:                                  | A. Saucer shaped<br>B. Negative slope<br>C. U shaped<br>D. Flatter   |
| 20 | Fixed cost consists of:  | A. Rent<br>B. Salaries<br>C. Interest<br>D. All of them  |

---