

Principles of Economics Icom Part 1 English Medium Chapter 6 Online Test

Sr	Questions	Answers Choice
1	One of the following is not included in explicit cost	A. Wages of labourers B. Reward of entrepreneur's personal labour C. Price of raw material D. Interest of capital
2	One of the following is not included in implicit cost	A. Interest of entrepreneur's own capital B. Rent of building C. Reward of entrepreneur's own labour D. Reward of entrepreneur's own land
3	The costs which the firm has to bear in every condition in the short period, are called	A. Total costs B. Fixed costs C. Variable costs D. Marginal costs
4	The costs which increase with the increase in output and decrease with the decrease in output, are called	A. Variable costs B. Fixed costs C. Average costs D. Marginal cost
5	The additional cost which a firm has to bear in order to produce additional unit of output, are called	A. Average cost B. Marginal cost C. Fixed costs D. Variable costs
6	The shape of average cost curve in the short period is	A. Vertical B. Horizontal C. Positively sloping D. Like English alphabet U
7	When average cost curve is falling, then marginal cost curve	A. Remains below it B. Remains above it C. Remains parallel to it D. Is vertical
8	When average cost curve is rising, then marginal cost curve	A. Remains below it B. Remains above it C. Remains parallel to it D. Is vertical
9	Nature of inter-relationship of average revenue and marginal revenue under perfect competition is	A. Average revenue remains more than marginal revenue B. Average revenue remains less than marginal revenue C. Marginal revenue remains less than average revenue D. Average revenue remains equal to marginal revenue
10	Under monopoly average revenue curve remains _____ the marginal revenue curve	A. Below B. Above C. Parallel to D. None of three
11	Price of raw material, wages of temporary labourers, transport costs etc, are called	A. Fixed costs B. Variable costs C. Marginal cost D. Total cost
12	Rent of the building, interest of the capital and salaries of the permanent staff etc are called	A. Fixed costs B. Variable C. Marginal cost D. Average cost
13	In the short period, fixed cost curve has the tendency	A. Parallel to ox-axis B. Parallel to oy-axis C. Positive D. Negative
14	The amount of money which a firm gets by selling a particular quantity of output, is called	A. Average revenue B. Marginal revenue C. Total revenue D. Total cost

14	Dividing total revenue by the sold units of output, is attained	C. Total revenue D. Fixed cost
15	Dividing total revenue by the sold units of output, is attained	A. Average revenue B. Marginal revenue C. Total revenue D. Average cost
16	Additional amount of money which a firm gets by selling an additional unit of output is called	A. Average revenue B. Marginal revenue C. Total revenue D. Revenue
17	Average revenue is equal to	A. Price B. Total revenue C. Marginal revenue D. Average cost
18	When production of a firm increases then total variable costs	A. Decrease B. Increase C. Remain constant D. Do not change
19	How many kinds of costs are in the short period	A. Two B. Three C. Four D. Five
20	Slope of average revenue and marginal revenue curves under monopoly is	A. positive B. negative C. zero D. none of three
21	Number of firms under monopoly is	A. One B. Two C. Three D. Four
22	Under perfect competition average revenue is always - - - marginal revenue	A. Equal to B. Less than C. More than D. None of three
23	The costs which a firm bear only in case of producing commodities	A. Fixed costs B. Variable costs C. Total costs D. Average fixed cost
24	Total expenditures which a firm bear to produce a particular quantity of output	A. Fixed costs B. Variable costs C. Total costs D. Average fixed cost
25	Dividing total costs by the units of output is attained	A. Average fixed cost B. Average cost C. Average variable cost D. Marginal cost
26	Dividing total fixed costs by the units of output, is attained	A. Average fixed cost B. Average variable cost C. Average cost D. Marginal cost
27	Dividing total variable costs by the units of output, is attained	A. Average fixed cost B. Average variable cost C. Average cost D. Marginal cost
28	When average cost falls, marginal cost is - - - - - average cost	A. Less than B. More than C. Equal to D. None of three
29	When average cost is minimum, marginal cost is - - - - - average cost	A. Less than B. More than C. Equal to D. None of three
30	When average cost increases, marginal cost is - - - - - average cost	A. Less than B. More than C. Equal to D. None of three
31	The kind of market, in which a single firm produces a single commodity which has no close substitute	A. Monopoly B. Duopoly C. Oligopoly D. Perfect competition

A. Falls from left to right

32	Demand curve of a monopolist has the shape	B. Rises from left to right C. Remains below MR curve D. Remains parallel to ox-axis
33	The slope of MR curve in monopoly is	A. Vertical B. Increasing C. Horizontal D. Negative
34	Average cost curve is in short run	A. Negative sloped B. U-shaped C. L-shaped D. Positive sloped
35	Which is the Demand Curve of a firm	A. Average Revenue Curve B. Marginal Revenue Curve C. Total Revenue Curve D. Average cost curve
36	When a firm's average total cost is equal to price, then it is called as	A. Normal profit B. Abnormal profit C. Normal loss D. Abnormal loss
37	Which is not included in variable cost	A. price of raw material B. Advertisement expenditures C. rent of building D. wages of labour
38	Short run cost curves are generally	A. flatter B. u shaped C. saucer shaped D. oval
39	To increase profit a firm minimises	A. revenues B. costs C. demand D. supply
40	Under monopoly average revenue curve remains the marginal revenue curve	A. Below B. Above C. Parallel D. None of these
41	Fixed costs are those costs of production which	A. Rise with quantity of output B. Do not change with any amount of production C. Decline with rising production D. None of these
42	In perfect competition the average revenue curve is	A. Vertical B. Horizontal C. Rising D. Declining
43	Which curve represents demand curve also	A. Marginal revenue B. Average revenue C. Total revenue D. Marginal cost
44	When total revenue is maximum, marginal revenue is	A. More B. Less C. Constant D. Zero
45	Which one of the following represents fixed cost	A. Price of raw material B. Wages C. Capital goods D. Wages of permanent labour
46	The demand curve for monopolist is also called	A. Total revenue B. Average revenue C. Marginal revenue D. Zero revenue
47	Wages of temporary labourers are	A. Fixed cost B. Marginal cost C. Total cost D. Variable cost
48	When average cost falls marginal cost is ----- average cost	A. More than B. Less than C. Equal to D. A and C
49	Marginal cost curve cuts average cost curve when average cost is	A. Maximum B. Minimum C. Increasing D. Decreasing

50	Which on factor is the basic factor ?	A. Land B. Labour C. Capital D. Organization
51	Which one factor is free gift of nature ?	A. Land B. Labour C. Capital D. Organization
52	Which one is comparatively the most important factor ?	A. Land B. Labour C. Capital D. Organization
53	One of the following is a fixed capital:	A. Raw material B. Machinery C. Saving certificate D. None of these
54	Which one is immobile factor ?	A. Land B. Labour C. Capital D. Organization
55	One of the following is considered as capital:	A. Land B. Labour C. Raw material D. Both (a) and (b)
56	Which factor is helpful for earning more income ?	A. Land B. Labour C. Capital D. Organization
57	Which factor combines other three factors ?	A. Land B. Labour C. Capital D. Organization
58	One of the following is not land:	A. White house B. Sub continents C. Power house D. Both (a) and (b)
59	Reward of Land is called.	A. Rent B. Wage C. Interest D. Profit
60	What is the reward of Labour ?	A. Rent B. Wage C. Interest D. Profit
61	Reward of capital is called	A. Rent B. Wage C. Interest D. Profit
62	What is the reward of Organization ?	A. Rent B. Wage C. Interest D. Profit
63	All the factors production can be hired except.	A. Land B. Labour C. Capital D. Organization
64	The factor of production which is result of human struggle.	A. Land B. Labour C. Capital D. Organization