

Economics Ics Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	The necessary condition for equilibrium of firm is	A. $AVC = AFC$ B. $AR = MR$ C. $MC = MR$ D. $TVC = TFC$
2	Normally MR curve intersects MC curve at points	A. 1 B. 2 C. 3 D. 4
3	The basic goal of a firm is to	A. maximize revenues B. maximize employees' welfare C. maximize profit D. maximize output
4	A firm earns economic profit when total profit exceeds	A. normal profit B. implicit costs C. explicit costs D. variable costs
5	Economic profit is	A. part of total cost B. total revenue minus total cost C. total revenue minus variable cost D. total variable cost minus total fixed cost
6	Normal profit is	A. part of total cost B. part of economic profit C. part of fixed cost D. total revenue minus total cost
7	At the point of equilibrium of firm under perfect competition	A. MC curve must be rising B. MC curve must be falling C. MR curve must be rising D. MR curve must be falling
8	profit is a maximum when	A. TC and TR curves are parallel B. MC and MR curves are parallel C. AC and AR curves are parallel D. TFC and TVC are parallel
9	Profit is maximum when	A. distance between TR and TC is maximum B. distance between AR and AC is maximum C. distance between MR and MC is maximum D. distance between MR and AR is maximum
10	The necessary condition for equilibrium position of a firm is	A. $MC > MR$ B. $MC > \text{price}$ C. $MC = MR$ D. $MC = AC$
11	The sacrifice of an alternative use of resources to produce something is called its	A. real cost B. opportunity cost C. sacrifice cost D. alternative cost
12	Pollution which is side effect of producing or consuming something and which is not taken into account by producers and sellers is called	A. externality B. wastage C. extra cost D. opportunity cost
13	The long run average cost curve is tangent to various	A. short run TCs B. short run ACs C. AVCs D. AFCs
14	As out put increases, AC curve	A. falls B. rises C. remains constant D. all of the above

15	Long run is a period	A. three years or longer B. long enough to allow firms to change plant size and capacity C. in which a firm need not get loans D. which affects larger more than smaller firms
16	Short run means is a period	A. less than one year B. in which at least one input is fixed C. in which no input can be changed D. in which firms can easily enter or exit
17	The cost which a firm incurs for purchasing or hiring factors is called	A. implicit B. explicit C. real D. basic
18	All the following are U-shape except	A. AVC B. AFC C. AC D. MC
19	TC	A. rises continuously B. falls then rises C. is horizontal to x-axis D. is parallel to y-axis
20	TVC	A. starts from origin B. not from origin C. is parallel to x-axis D. is parallel to y-axis