

Economics Ics Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	TC	A. starts from origin B. not from origin C. is parallel to y-axis D. parallel to x- axis
2	MC is given by slope of	A. TFC B. TC C. ATC D. AVC
3	Which is NOT a cause of shift in cost curves of a firm	A. excise tax B. prices of inputs C. increase in productivity D. price of product
4	Which statement is true	A. $ATC + AVC = AFC$ B. $ATC + MC = AFC$ C. $ATC + AFC = AVC$ D. $AFC + AVC = ATC$
5	All inputs can be varied in	A. short run B. long run C. both periods D. none of the period
6	Unit cost is another name for	A. MC B. AVC C. ATC D. AFC
7	As output increases	A. MC curve firstly falls then rises B. MC firstly rises then falls C. MC continuously rises D. continuously falls
8	The shape of rectangular hyperbola is made by	A. MC B. AFC C. AVC D. TFC
9	Excise tax is a part of	A. fixed cost B. variable cost C. implicit cost D. is not a part of cost
10	In monopoly at various output levels	A. $AR = MR$ B. $AR < MR$ C. $AR > MR$ D. AR and MR curves are parallel
11	Under perfect competition MR and AR curves	A. are the same B. are different C. intersect each other D. are parallel
12	When marginal revenue is zero, total revenue is	A. maximum B. minimum C. zero D. decreasing
13	Which of the following is NOT a characteristic of perfect competition?	A. free entry and exit of the firm B. demand curve of a firm is horizontal C. marginal revenue curve is horizontal D. individual firm can influence the price
14	Marginal revenue is always less than price at all levels of output in	A. perfect competition B. monopoly C. both A and B D. none of the above
		A. unity of firms

15	The major difference between perfect competition and monopolistic competition is	<p>B. differentiated product</p> <p>C. rate of profit</p> <p>D. free exit and entry</p>
16	Which is <i>NOT</i> true	<p>A. perfect monopoly does not exist in real world</p> <p>B. perfect competition does not exist in real world</p> <p>C. every monopoly is evil</p> <p>D. every firm wants to reduce competition</p>
17	In the business world	<p>A. a firm working under perfect competition wants to become a monopoly</p> <p>B. a firm working under monopoly wants to become a competitive firm</p> <p>C. monopoly price is always higher than competitive price</p> <p>D. competitive price is always higher than monopoly price</p>
18	In case of perfect competition in the market	<p>A. marginal revenue curve always slopes upward</p> <p>B. marginal revenue curve always slopes downward</p> <p>C. marginal revenue is always equal to average revenue</p> <p>D. marginal revenue is always less than to average revenue</p>
19	In case of monopoly	<p>A. marginal revenue curve always slopes upward</p> <p>B. total revenue curve always slopes upward</p> <p>C. marginal revenue is always equal to average revenue</p> <p>D. marginal revenue is always less than average revenue</p>
20	Which is a condition for existence of monopoly	<p>A. big size</p> <p>B. identical product</p> <p>C. absence of government taxes</p> <p>D. no close substitute</p>