

Terminology Online Test

Sr	Questions	Answers Choice
1	A natural mono,poly occurs when:	<p>A. Long-run average costs decline continuously through the range of demand</p> <p>B. A firm owns or controls some resource essential to production</p> <p>C. Long-run average costs rise continuously as out put is increased</p> <p>D. Economies of scale are obtained at relatively low levels of output</p>
2	Who gave the "theory of comparative advantage"?	<p>A. Adam smith&nbsp;</p> <p>B. Ricardo&nbsp;</p> <p>C. Hicks&nbsp;</p> <p>D. Albert Einstein&nbsp;</p>
3	What is the main characteristic of a capialist of free market economy:	<p>A. Individuals are the owners factors of Production
</p> <p>B. Profit is the min motives of carrying out various activities
</p> <p>C. Consumer freedom
</p> <p>D. All of above
</p>
4	Which of hr following can the government not use directly to control the economy:	<p>A. Pay rates within the private sector
</p> <p>B. Pay rates in the pubic sector
</p> <p>C. Investment in education
</p> <p>D. Benefits available for the unemployed and sick
</p>
5	Investment depends mainly on:	<p>A. Past levels of income
</p> <p>B. Futures expected profits
</p> <p>C. Present National Income levels
</p> <p>D. Historic data
</p>
6	Where is he headquarters of the world federation of Trade union:	<p>A. Czech Republic
</p> <p>B. Russia
</p> <p>C. U.K.
</p> <p>D. U.S.A</p>
7	The primary use to the kinked-demand curve is to explain price rigidity in:	<p>A. Oligopoly
</p> <p>B. Monopoly
</p> <p>C. Perfect competition
</p> <p>D. Monopolistic competition
</p>
8	Which of the following best expresses the law of demand:	<p>A. A high price reduces demand
</p> <p>B. A lower price reduces demand
</p> <p>C. A higher prices reduces quantity demanded
</p> <p>D. A lower prices shifts the demand curve to the right
</p>
9	The marginal revenue curve in monopoly:	<p>A. Equals the demand curve
</p> <p>B. Is parallel with the demand curve
</p> <p>C. Lies below and converges with the demand curve
</p> <p>D. Lies below and diverges form the demand curve
</p>
10	For a perfectly competitive firm:	<p>A. Price equals marginal revenue
</p> <p>B. Price is greater than marginal revenue
</p> <p>C. Price equals total revenue
</p> <p>D. Price equals total cost
</p>