

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

Sr	Questions	Answers Choice
1	Marginal cost curve cuts average cost curve when average cost is	A. Maximum B. Minimum C. Increasing D. Decreasing
2	When average cost falls marginal cost is ----- average cost	A. More than B. Less than C. Equal to D. A and C
3	Wages of temporary labourers are	A. Fixed cost B. Marginal cost C. Total cost D. Variable cost
4	The demand curve for monopolist is also called	A. Total revenue B. Average revenue C. Marginal revenue D. Zero revenue
5	Which one of the following represents fixed cost	A. Price of raw material B. Wages C. Capital goods D. Wages of permanent labour
6	When total revenue is maximum, marginal revenue is	A. More B. Less C. Constant D. Zero
7	Which curve represents demand curve also	A. Marginal revenue B. Average revenue C. Total revenue D. Marginal cost
8	In perfect competition the average revenue curve is	A. Vertical B. Horizontal C. Rising D. Declining
9	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
10	Under monopoly average revenue curve remains the marginal revenue curve	A. Below B. Above C. Parallel D. None of these
11	To increase profit a firm minimises	A. revenues B. costs C. demand D. supply
12	Short run cost curves are generally	A. flatter B. u shaped C. saucer shaped D. oval
13	Which is not included in variable cost	A. price of raw material B. Advertisement expenditures C. rent of building D. wages of labour
14	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
15	Which is the Demand Curve of a firm	A. Average Revenue Curve B. Marginal Revenue Curve C. Total Revenue Curve D. None of these

