

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

Sr	Questions	Answers Choice
1	How many kinds of costs are in the short period	A. Two B. Three C. Four D. Five
2	When production of a firm increases then total variable costs	A. Decrease B. Increase C. Remain constant D. Do not change
3	Average revenue is equal to	A. Price B. Total revenue C. Marginal revenue D. Average cost
4	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
5	Dividing total revenue by the sold units of output, is attained	A. Average revenue B. Marginal revenue C. Total revenue D. Average cost
6	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. Fixed cost
7	In the short period, fixed cost curve has the tendency	A. Parallel to ox-axis B. Parallel to oy-axis C. Positive D. Negative
8	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
9	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
10	Under monopoly average revenue curve remains _____ the marginal revenue curve	A. Below B. Above C. Parallel to D. None of three
11	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
12	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
13	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
14	The shape of average cost curve in the short period is	A. Vertical B. Horizontal C. Positively sloping D. Like English alphabet U

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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
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