Principles of Economics Icom Part 1 English Medium Chapter 7 Online Test

Sr	Questions	Answers Choice
1	The formula of calculating total revenue is	A. P x Q B. P x AC C. AC x Q D. TC / Q
2	A monopolistic firm has control of	A. Whole market supply by one firm B. Whole market supply by two firms C. Whole market supply by a few firms D. None of these
3	To increase profit a firm minimizes	A. Revenues B. Costs C. Demand D. Supply
4	When total revenue and total cost of a firm are equal, the firm earns	A. Abnormal profit B. Normal profit C. Normal loss D. Abnormal loss
5	One condition which is not included in perfect competition conditions	A. Homogeneity of product B. Difference in price C. Large number of buyers and sellers D. Perfect knowledge of the market
6	Under monopoly, number of firms is	A. Large B. Few C. One D. Two
7	What can a firm do in the short run	A. Firm can increase its plants B. Firm can expand its building C. New firm can not enter the business D. New firm can enter the business
8	Firms equilibrium is at that point where	A. MC=AR B. MC=MR C. MC=AVC D. MC=AC
9	If the equation is this, MC=MR=AR(P)<AC then the firm	A. Earns normal profit B. Earns abnormal profit C. Bears loss D. Bears abnormal loss
10	If the equation is this, MC=MR-AR(P)=AC, then the firm	A. Earns normal profit B. Earns abnormal profit C. Bears minimum loss D. Bears abnormal loss
11	If a monopolist wants to increase the sale of its product, it will have to --------- the price of its good	A. Decrease B. Increase C. Keep constant D. None of the three
12	In monopoly, when total revenue of a firm is maximum, then its marginal revenue is	A. Maximum B. Minimum C. Zero D. Negative
13	Under monopoly, in the long run a firm	A. Earns normal profit B. Earns abnormal profit C. Bears minimum loss D. Bears abnormal loss
14	If there are large number of firms in some particular industry, then situation is called	A. Perfect competition B. Imperfect competition C. Monopoly D. Monopolistic competition
		A. Normal profit

15	A monopolist firm usually earns	B. Abnormal profit C. Minimum loss D. Abnormal loss