

Principles of Economics Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	Under monopoly the slopes of AR and MR are:	A. Zero B. Positive C. Negative D. None of three
2	Next best alternative use of resources is known as:	A. Implicit cost B. Explicit cost C. Opportunity cost D. Sunk cost
3	Under perfect competition average revenue is equal to:	A. Average cost B. Price C. Marginal revenue D. Both b and c
4	Long run average cost curve is:	A. Planning curve B. Envelope curve C. Flatter curve D. All of three
5	In short average cost curve is:	A. Saucer shaped B. Negative slope C. U shaped D. Flatter
6	MC cuts AC at:	A. Maximum point B. Minimum point C. Increasing point D. Decreasing point
7	When Ac is rising:	A. $AC = MC$ B. $MC > AC$ C. $MC < AC$ D. Both (b) and (c)
8	When AC is falling then:	A. $MC = AC$ B. $AVC = MC$ C. $MC > AC$ D. $MC < AC$
9	The rate change in total cost is:	A. TR B. MC C. MR D. TC
10	$TC = TFC +$:	A. MC B. AR C. TVC D. TAC
11	With the increase of output, which cost of production increases:	A. VC B. AC C. FC D. MC
12	If a firm does not produce anything then its variable cost is:	A. Minimum B. Negative C. Maximum D. Zero
13	Fixed cost consists of:	A. Rent B. Salaries C. Interest D. All of them
14	Firm's cost depends upon:	A. Revenue B. Supply C. Price D. Output
15	All factors of production are variable in the:	A. Market period B. Long period C. Short period D. All of these

