

Principles of Economics Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	Production of an additional unit of factor refers to:	A. AP B. TP C. MP D. MR
2	MRP curve of a factor represents:	A. Demand of factors B. Supply of factors C. Price of factors D. Both a and c
3	MRP curve is slopping:	A. Negative B. Positive C. Downward D. Both a and c
4	Marginal productivity theory was presented by:	A. Pigou and Cannon B. Adam Smith and F.A. Walker C. Keynes and Semeulson D. Marshall and J.B. Clark
5	Firms earn abnormal profit when:	A. $AR = AC$ B. $AR < AC$ C. $AR > AC$ D. $AC = AR$
6	Under monopoly the price is always equal to:	A. AR B. MR C. MC D. AVC
7	Under monopoly, the slope of MR curve is:	A. Twice the slope of AR curve B. Less than the slope of AR curve C. Greater than the slope of AR curve D. Half the slope of AR curve
8	If $MC=MR=AR=AC=P$, then a firms gains:	A. Super profit B. Normal profit C. Normal loss D. Abnormal loss
9	In the long run monopolist earns profit:	A. Normal B. Abnormal C. Super normal D. Both b and c
10	Under Monopoly, a firm is in equilibrium position when E_d is:	A. Equal to unity B. Less than unity C. Grater than unity D. Both b and c
11	Price discrimination policy refers to:	A. Single price B. Two prices C. Multiple prices D. None of these
12	In the long run firms mostly earn normal profit in:	A. Perfect competition B. Oligopoly C. Monopoly D. Duopoly
13	The term "Price Taker" is used in:	A. Perfect competition B. Oligopoly C. Monopoly D. Monopsony
14	The term "Price Maker" is used in:	A. Perfect competition B. Oligopoly C. Monopoly D. Monopsony
15	Oligopoly means:	A. Single seller B. Two seller C. Multiple sellers D. Many sellers

