Principles of Economics Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	Marginal productivity theory was presented by	A. Adam Smith and Malthus B. Marshall and J.B Clark C. Robbins and Keyness D. Pigou and Cannon
2	MPP stand is	A. Marginal price product B. Marginal Physical Product C. Marginal Physical Price D. Marginal Perfect Price
3	Usually elasticity of demand in equilibrium situation under monopoly is	A. Equal than unity B. Less than unity C. more than unity D. Zero
4	Industry is in equilibrium under perfect competition in the long run, when every existing firm in the industry	A. Is earning abnormal profit B. Is earning normal profit C. Is facing minimum loss D. Is facing abnormal loss
5	Under monopoly, marginal revenue is _____ of output	A. Decreasing function B. Increasing function C. Quadratic function D. Cubic function
6	Speed of increase in total revenue remains equal with the increase in output	A. Under monopoly B. Under oligopoly C. Under perfect competition D. Under pure competition
7	Tendency of average revenue curve under monopoly is alwaus	A. Falls down B. Parallel to x-axis C. Rises up D. Parallel to y-axis
8	If the most part of total supply of commodity is produced by one firm, it is called	A. Oligopoly B. Monopoly C. Perfect competition D. Monopolistic competition
9	Monopoly is opposite to	A. Perfect competition B. Imperfect competition C. Perfect competition and imperfect competition both D. Oligopoly
10	When a firm earns abnormal profit in the short run, then its	A. MC=MR=AR=AC all are equal B. MC=MR=AR while AC is less C. MC=MR=AR while AC is more D. MC=MR=AR while AV is sometimes equal to them and sometimes less than tham
11	Monopolist firm in the long run	A. Always faces loss B. Usually faces loss C. Usually earns normal profit D. Always earns abnormal profit
12	Under perfect competition in the long run a firm	A. Always earns abnormal profit B. Always earns normal profit C. Usually earns abnormal profit D. Usually faces loss
13	A firm earns normal profit	A. When price of the commodity is equal to average cost B. When price of the commodity is more than average cost C. When price of the commodity is less than average cost D. When total revenue is more than total costs
14	Under perfect competition, marginal revenue and average revenue curves	A. Moves from left to right upward B. Moves from left to right downward

		C. Remain parallel to x-axis D. Remain parallel to y-axis
15	Till marginal cost curve remains below the marginal revenue curve, from the economic point of view, increase in production for a firm is	A. Beneficial B. Unbeneficial C. May be beneficial or unbeneficial D. Neither beneficial nor unbeneficial