

Founder of Neo-Classical thought.

- A. Marshall
- B. Robbins
- C. Canon
- D. Adam Smith

ANSWER: A

Methods of deriving economic laws.

- A. Two
- B. Three
- C. Four
- D. Five

ANSWER: A

When marginal utility is negative then total utility is.

- A. Minimum
- B. Maximum
- C. Decreasing
- D. Zero

ANSWER: C

Convexity is property of.

- A. Supply
- B. Total utility
- C. Consumer's surplus
- D. Indifference curve

ANSWER: D

Supply curve always slopes upward.

- A. True
- B. False
- C. Both true and false
- D. None of these

ANSWER: B

At same price demand continuously increases, elasticity is.

- A. Perfectly Elastic
- B. Perfectly Inelastic
- C. $E_d > 1$
- D. $E_d < 1$

ANSWER: A

Price rises, supply remains constant.

- A. Extension of supply
- B. Contraction of supply
- C. Rise in supply
- D. Fall in supply

ANSWER: D

At equilibrium price, demand and supply.

- A. Increase
- B. Become equal
- C. Decrease
- D. None of these

ANSWER: B

When total product increases, marginal product.

- A. Is positive
- B. remains constant
- C. Is zero
- D. Is negative

ANSWER: A

Law of returns are.

- A. Two
- B. Three
- C. Four
- D. None of these

ANSWER: B

Apply soon on agricultural sector.

- A. Law of increasing returns
- B. Law of decreasing returns
- C. Law of constant returns
- D. None of these

ANSWER: B

The shape of average cost curve in short period is.

- A. Horizontal
- B. Vertical
- C. Concave
- D. like English alphabet U

ANSWER: D

To increase profit, a firm minimizes.

- A. Revenue

B. Demand

C. Cost

D. Supply

ANSWER: C

A firm will be in equilibrium position when.

A. $MC=MR$

B. $MC < MR$

C. $MC > MR$

D. None of these

ANSWER: A

A firm earns normal profit when.

A. $TR > TC$

B. $Price=AC$

C. $Price > AC$

D. $Price < AC$

ANSWER: B

Founder of classical school of thought.

A. Marshall

B. Robbins

C. Canon

D. Adam Smith

ANSWER: D

How many kinds are of theoretical economics.

A. Two

B. Three

C. Four

D. Five

ANSWER: A

When marginal utility is zero then total utility is.

A. Minimum

B. Maximum

C. Negative

D. Zero

ANSWER: B

Income effect + substitution effect is equal to.

A. Consumer's equilibrium

B. No Effect

C. Price Effect

D. Total utility

ANSWER: C

Demand curve is always sloping downward.

A. Correct

B. Both true and False

C. Incorrect

D. None of these

ANSWER: C

Price decreases, demand remains constant, elasticity is.

A. Perfectly Elastic

B. Perfectly Inelastic

C. $E_d > 1$

D. $E_d < 1$

ANSWER: B

Elasticity of demand between two points is called.

A. Arc elasticity

B. Point elasticity

C. Income elasticity

D. Cross elasticity

ANSWER: A

In which direction demand and supply curve move.

A. Vertical

B. Horizontal

C. Same

D. Opposite

ANSWER: D

When average product increases, marginal product.

A. Also increases

B. Decreases

C. Is zero

D. Is negative

ANSWER: A

In law of increasing cost, marginal cost _____ .

A. Both increase and decrease

B. Remains constant

C. Decreases

D. Increases

ANSWER: D

According to classical economists, production process is under laws.

- A. Law of increasing returns
- B. Law of decreasing returns
- C. Law of constant returns
- D. None of these

ANSWER: B

When average cost curve falls, then marginal cost curve.

- A. Remains above it
- B. Remains below it
- C. Remains parallel
- D. Is horizontal

ANSWER: B

Average revenue is equal to.

- A. Price
- B. MR
- C. TR
- D. Average cost

ANSWER: A

In short run a firm will be in equilibrium position when.

- A. $MC=TR$
- B. $MC<MR$
- C. $MC>MR$
- D. $MC=MR$

ANSWER: D

Under imperfect competition MR and AR curves.

- A. Remain parallel
- B. Horizontal
- C. Moves downward from left to right
- D. Moves upward from left or right

ANSWER: C