



INDIAN SCHOOL NIZWA

Class : XI MCQ Worksheet on Cost and Revenue

ECONOMICS

1. Which of the following is a variable cost?
a) Salary of Permanent staff b) rent of premises c) license fees d) wages
2. Why does AFC curve not touch X-axis?
a) AFC cannot be zero b) AFC cannot be negative c) AFC can never be less than 1
d) None of these
3. Which one of the following is correct?
a) $TC = TFC \times TVC$ b) $TC = TFC \div TVC$
c) $TC = TFC + TVC$ d) $CTC = TFC - TVC$
4. Total cost is the vertical summation of:
A. TFC and TVC B. AFC and AVC C. TVC and AVC D. None of these
5. Under perfect competition:
A. MR curve is below AR curve B. Price = AR = MR
C. AR remains constant D. Both B and C
6. When MC curve cuts AC curve:
a) $AC = MC$ b) $AC < MC$ c) $AC > MC$ d) Both AC and MC are falling
7. When output increases from 8 units to 10 units and TR increases from ₹270 to ₹300 then, MR is:
a) ₹30 b) ₹20 c) ₹15 d) ₹40
8. Revenue =
a) Costs – Profit b) Costs + Profit c) Costs x Profit d) Costs ÷ Profit
9. Average fixed cost is (AFC) is indicated by:
a) a rectangular hyperbola b) a straight line parallel to X – axis
c) a straight line parallel to Y – axis d) a U-shaped curve
10. When production is zero, total cost will be:
a) Zero b) equal to variable cost c) equal to fixed cost d) equal to marginal cost