



St. Lawrence High School

A Jesuit Christian Minority Institution



Worksheet 26

Sub: Economics

Class: XII

Chapter 04: Theory of Cost

F.M.: 15

Topic: Concept of fixed cost, variable cost

And total cost

Date: 30/06/2020

Multiple choice questions

1x15 = 15

1. The cost of production which is independent of output level is known as _____.
 - a. Money cost,
 - b. Fixed cost,
 - c. Variable cost,
 - d. Imputed cost.
2. The cost which depends on the output level is known as _____.
 - a. Variable cost,
 - b. Imputed cost,
 - c. Money cost,
 - d. Fixed cost.
3. At long run all costs are _____.
 - a. Fixed,
 - b. Variable,
 - c. Both a) and b),
 - d. None of these.
4. _____ curve cannot be start from the origin.
 - a. Money cost,
 - b. Total cost,
 - c. Real cost,
 - d. Imputed cost.
5. The amount of insurance premium is the example of _____ cost.
 - a. Fixed cost,
 - b. Selling cost,
 - c. Variable cost,
 - d. None of these.
6. The earning of a casual worker is known as _____ cost.
 - a. Real ,
 - b. Fixed,
 - c. Opportunity,
 - d. Variable.

7. The total cost of production depends on the amount of _____ input used.
- Fixed,
 - Fuel,
 - Fixed and variable,
 - Variable.
8. Total cost is the sum total of total _____ cost and total variable cost.
- Fixed,
 - Real,
 - Imputed,
 - Profit.
9. TFC curve is parallel to _____ axis.
- Vertical,
 - Revenue,
 - Horizontal,
 - Cost.
10. Shape of total cost curve depends on the shape of the _____ curve.
- TFC,
 - TVC,
 - AC,
 - AVC.
11. The difference between fixed cost and variable cost is applicable only in _____.
- Short run,
 - Long run,
 - Chances,
 - None of these.
12. If traditional techniques are used in the production process then cost of production _____.
- Decreases,
 - Increases,
 - Constant,
 - All of above.
13. The vertical difference between the TC curve and TVC curve _____.
- Continuously increases,
 - Zero,
 - Continuously decreases,
 - Remains the same.
14. If output increases then total fixed cost will _____.
- Increase,
 - Zero,
 - Remain same,

d. Decrease.

15. When the wage rate and raw materials price increases then variable cost of production _____.

a. Increases,

b. Decreases,

c. Zero,

d. Unchanged.

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