ST. LAWRENCE HIGH SCHOOL

A Jesuit Christian Minority Institution

Answerkey 32

Sub: Economics Class: XII
Chapter 06:RevenueF.M.: 15
Topic:Relation among TR, AR, MR
When price is fixed and variable   Date: 08/07/2020

Multiple choice questions   **1x15 = 15**

1. When price is fixed, AR is always ___________to MR.
   a. Greater,
   b. Less,
   c. Equal.
   d. More.
   Ans: c. Equal.
2. Revenue is firm's ___________.
   a. Profit,
   b. Income,
   c. Cost,
   d. Expenditure.
   Ans: b. Income.
3. When price is fixed, TR is increasing proportionately with increasing units of _____.
   a. Output,
   b. Input,
   c. Sale,
   d. Profit.
   Ans: a. Output.
4. ____________is the total income from selling the products.
   a. Total saving,
   b. Total investment,
   c. Total revenue,
   d. Total cost.
   Ans: c. Total revenue.
5. When price is fixed AR curve will be _________to horizontal axis.
   a. Perpendicular,
   b. Asymptotic,
   c. Coincide,
   d. Parallel.
   Ans: d. Parallel.

6. Total revenue will depend on the ____________.
   a. Profit,
   b. Investment,
   c. Input used,
   d. Quantity sold.
   Ans: d. Quantity sold.
7. When AR is rising, then__________.
   a. AR=MR,
   b. MR>AR,
   c. AR>MR,
   d. AR>P.
   Ans: b. MR>AR.
8. When price is fixed ________ is a straight line passing through the origin.
   a. AR,
   b. MR,
   c. AC,
   d. TR.
   Ans: d. TR.
9. Average revenue is nothing but _________.
   a. Profit,
   b. Price,
   c. TR,
   d. MR.
   Ans: b. Price.
10. When AR is decreasing, then ___________.
    a. AR=MR,
    b. MR<AR,
    c. MR>AR,
    d. MR<0.
    Ans: b. MR<AR.
11. When TR will be maximum then MR will be ___________.
    a. Zero,
    b. Negative,
    c. Positive,
    d. Maximum.
    Ans: a. Zero.
12. When price is variable, MR is positive so long as TR ___________.
    a. Decreases,
    b. Increases,
    c. Maximum,

d. Zero.

Ans: b. Increases.

13. When price is variable, TR will meet the horizontal axis, when ________is zero.
    a. MR,
    b. TR,
    c. AR,
    d. AC.

    Ans: c. AR.

14. When AR is constant then ____________.
    a. AR=MR,
    b. AR>MR,
    c. AR<MR,
    d. AR=0.

    Ans: a. AR=MR.

15. When price is variable, TR curve starts from the ___________.
    a. Vertical axis,
    b. Horizontal axis,
    c. Negative axis,
    d. Origin.

    Ans: d. Origin.

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