



ST. LAWRENCE HIGH SCHOOL

A Jesuit Christian Minority Institution



Answerkey 31

Sub: Economics Class: XII

Chapter 06:RevenueF.M.: 15

Topic:Concept ofTR, AR, MR

Date: 07/07/2020

Multiple choice questions

1x15 = 15

1. The expenditure of a consumer is the _____ of the seller.
 - a. Revenue,
 - b. Cost,
 - c. Profit,
 - d. None of these.

Ans: a. Revenue.

2. Revenue is firm's _____.
 - a. Profit,
 - b. Income,
 - c. Cost,
 - d. Expenditure.

Ans: b. Income.

3. Objective of the firm is to maximize _____.
 - a. Cost,
 - b. Sale,
 - c. Expenditure,
 - d. Profit.

Ans: d. Profit.

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. Total revenue will depend on the _____.
 - a. Profit,
 - b. Investment,
 - c. Input used,
 - d. Quantity sold.

Ans: d. Quantity sold.

6. When AR is rising, then_____.

- a. $AR=MR$,
- b. $MR>AR$,
- c. $AR>MR$,
- d. $AR>P$.

Ans: $MR>AR$.

7. Revenue per unit of output is known as _____.

- a. Average revenue,
- b. Total revenue,
- c. Marginal revenue,
- d. Profit.

Ans: a. Average revenue.

8. Average revenue is nothing but _____.

- a. Profit,
- b. Price,
- c. TR,
- d. MR.

Ans: b. Price.

9. When AR is decreasing, then _____.

- a. $AR=MR$,
- b. $MR<AR$,
- c. $MR>AR$,
- d. $MR<0$.

Ans: b. $MR<AR$.

10. Marginal revenue is the rate of change of _____ with respect to a change in output.

- a. AR,
- b. AC,
- c. TR,
- d. TC.

Ans: c. TR.

11. When the firm sells one additional unit of output the extra revenue earned is called _____.

- a. Total revenue,
- b. Average revenue,
- c. Marginal revenue,
- d. Excess profit.

Ans: c. Marginal revenue.

12. When AR is constant then _____.

- a. $AR=MR$,
- b. $AR>MR$,

- c. $AR < MR$,
- d. $AR = 0$.

Ans: a. $AR = MR$.

13. Average revenue is the revenue per unit of _____.

- a. Price,
- b. Input,
- c. Output,
- d. Sale.

Ans: c. Output.

14. When firm sells its product and gets money then it is called _____.

- a. TR,
- b. MR,
- c. AR,
- d. Profit.

Ans: a. TR.

15. When we divide total revenue by the units of output then we get _____.

- a. TR,
- b. AR,
- c. MR,
- d. Price.

Ans: b. AR.

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