



ST. LAWRENCE HIGH SCHOOL

A Jesuit Christian Minority Institution



Worksheet 34

Sub: Economics Class: XII

Chapter 07: Profit Maximisation F.M.: 15

Topic: Differences between profit and other factor incomes

And Profit maximisation hypothesis Date: 10/07/2020

Multiple choice questions

1x15 = 15

1. Profit is a _____ income.
 - a. Contractual,
 - b. Residual,
 - c. Implicit,
 - d. Explicit.
2. Profit is a mixed and _____ income.
 - a. Net,
 - b. Gross,
 - c. Vexed,
 - d. Total.
3. Profit can be zero or _____.
 - a. Negative,
 - b. Positive,
 - c. Greater than one.
 - d. Less than one.
4. Profit is the reward for _____ taking.
 - a. Risk,
 - b. Production,
 - c. Price,
 - d. Sale.
5. Profit can change _____.
 - a. Slowly,
 - b. Negatively,
 - c. Diminishingly,
 - d. Rapidly.
6. The difference between total revenue and total cost is known as _____.
 - a. Profit,
 - b. Price,
 - c. Loss,
 - d. Average revenue.

7. _____ is the income of the organizer.
- Marginal revenue,
 - Profit,
 - Average revenue,
 - Price.
8. In case profit _____ element is highest.
- Price,
 - Cost,
 - Risk,
 - Revenue.
9. Profit can arise as a result of _____.
- Production,
 - Sale,
 - Marketing,
 - Innovation.
10. Profit is not included in _____.
- Cost of production,
 - Sales,
 - Marketing,
 - Revenue.
11. If the entrepreneur enjoys _____ power in the market, he can earn excess profit.
- Monopoly,
 - Will,
 - Sales,
 - Marketing.
12. The necessary condition of profit maximization is _____.
- $AR=AC$,
 - $MR=AR$,
 - $MR=MC$,
 - $MR=AC$.
13. Windfall gain means _____ profit.
- Net,
 - Gross,
 - Zero,
 - Unexpected.
14. The goal of the business firm is to maximize _____.
- Cost,
 - Profit,
 - Sale,

d. Price.

15. Without _____profit the entrepreneur will not come forward to undertake the production process.

a. Normal,

b. Excess,

c. Sufficient,

d. Highest.

DebaleenaGanguly.

10.07.2020