



ST. LAWRENCE HIGH SCHOOL

A Jesuit Christian Minority Institution



Worksheet 48

Sub: Economics Class: XII

Chapter 12: Cost Determined Pricing F.M.: 15

Topic: Mark Up Pricing Date: 07/11/2020

Multiple choice questions

1x15 = 15

1. Mark up is nothing but _____ profit.
 - a. Planned,
 - b. Unplanned,
 - c. Expected,
 - d. Unexpected.
2. _____ introduced the concept of mark up pricing.
 - a. Smith,
 - b. Kalecki,
 - c. Marshall,
 - d. Samuelson.
3. Mark up is added with _____.
 - a. MC,
 - b. TC,
 - c. AC,
 - d. AFC.
4. According to Kalecki, mark up is found for _____ goods.
 - a. Agricultural,
 - b. Durable,
 - c. Inferior,
 - d. Industrial.
5. Price of manufactured good = _____ + mark up.
 - a. AVC,
 - b. AFC,
 - c. MC,
 - d. TC.
6. In mark up system, the firm adds _____ margin with AC.
 - a. Net profit,
 - b. Gross profit,
 - c. Expected profit,
 - d. Unexpected profit.

7. In cost determined pricing it is assumed that the supply curve of the industry is _____ in the long run.
- Upward rising,
 - Vertical,
 - Horizontal,
 - Downward sloping.
8. Mark up itself is the _____ profit margin.
- Positive,
 - Expected,
 - Net,
 - Gross.
9. In cost determined pricing it is assumed that all firms in the industry have _____ cost curves.
- Identical,
 - Different,
 - Average,
 - Marginal.
10. In cost determined pricing theory we considered _____.
- Short run,
 - Long run,
 - Very short run,
 - Very long run.
11. In cost determined pricing theory it is assumed that supply is _____.
- Elastic,
 - Inelastic,
 - Perfectly elastic,
 - Perfectly inelastic.
12. In case of products of organized manufacture price is _____ determined.
- Demand,
 - Supply,
 - Production,
 - Cost.
13. In case of products of organized manufacture production is _____ determined.
- Demand,
 - Supply,
 - Production,
 - Cost.
14. When price change occurs as a result of change in costs, it is known as _____ induced price change.
- Demand,

- b. Cost,
 - c. Supply,
 - d. Production.
15. Due to the existence of excess capacity the LAC curve is _____ shaped.
- a. U,
 - b. Horizontal,
 - c. L,
 - d. Vertical.

DebaleenaGamguly.
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