



ST. LAWRENCE HIGH SCHOOL

A Jesuit Christian Minority Institution



Worksheet 33

Sub: Economics Class: XII

Chapter 07: Profit Maximisation F.M.: 15

**Topic: Concept of Gross profit, Net profit
And Elements of profit**

Date: 09/07/2020

Multiple choice questions

1x15 = 15

1. The difference between total revenue and total cost is known as _____.
 - a. Profit,
 - b. Price,
 - c. Loss,
 - d. Average revenue.
2. If gross profit is less than implicit earning, net profit is _____.
 - a. Positive,
 - b. Negative,
 - c. Zero,
 - d. Maximum.
3. Profit is a mixed and _____ income.
 - a. Net,
 - b. Gross,
 - c. Vexed,
 - d. Total.
4. Profit is the reward for _____ taking.
 - a. Risk,
 - b. Production,
 - c. Price,
 - d. Sale.
5. _____ is the income of the organizer.
 - a. Marginal revenue,
 - b. Profit,
 - c. Average revenue,
 - d. Price.
6. Gross profit is the difference between total revenue and total _____ cost.
 - a. Average cost,
 - b. Marginal cost,
 - c. Contractual cost,

- d. Explicit cost.
- 7. If from gross profit we deduct the payments to be made on account of factors of production supplied by the entrepreneur, we can get _____.
 - a. Total cost,
 - b. Total revenue,
 - c. Total profit,
 - d. Net profit.
- 8. If gross profit is greater than implicit earning, net profit is _____.
 - a. Positive,
 - b. Negative,
 - c. Zero,
 - d. Maximum.
- 9. Prof. _____ said profit is the reward for risk taking.
 - a. Taussig,
 - b. Marshall,
 - c. Knight,
 - d. Smith.
- 10. Profit can arise as a result of _____.
 - a. Production,
 - b. Sale,
 - c. Marketing,
 - d. Innovation.
- 11. If the entrepreneur enjoys _____ power in the market, he can earn excess profit.
 - a. Monopoly,
 - b. Will,
 - c. Sales,
 - d. Marketing.
- 12. Firm can increase its net profit through _____.
 - a. Sale,
 - b. Product differentiation,
 - c. Marketing,
 - d. Managers.
- 13. Windfall gain means _____ profit.
 - a. Net,
 - b. Gross,
 - c. Zero,
 - d. Unexpected .
- 14. Profit is the result of innovation said by prof. _____.
 - a. Marshall,

- b. Knight,
 - c. Schumpeter,
 - d. Keynes.
15. Prof. _____ said profit is a mixed and vexed income.
- a. Taussig,
 - b. Marshall,
 - c. Knight,
 - d. Keynes.

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