Q= a – b P represents equation of
Select correct option:

Supply function
Demand function
Labor supply function
Market demand function
Refrence:
Equation of demand function is Qd= a – b P

Question # 2 of 15 (Start time: 07:08:17 PM) Total Marks: 1
Microeconomics is the branch of economics that deals with which of the following topics?
Select correct option:

The behavior of individual consumers
Unemployment and interest rates
The behavior of individual firms and investors
The behavior of individual consumers and behavior of individual firms and investors.
Refrence:
Microeconomics is a branch of economics that studies how individuals, households, and firms make decisions to allocate limited resources typically in markets where goods or services are being bought and sold. It also examines how these decisions and behaviors affect the supply and demand for goods and services, which determines prices, and how prices, in turn, determine the supply and demand of goods and services.

Question # 3 of 15 (Start time: 07:08:53 PM) Total Marks: 1
Which of the following is not an assumption of ordinal utility analysis?
Select correct option:

Consumers are consistent in their preference.
Consumers can measure the total utility received from any given basket of good.
Consumers are non-satiated with respect to the goods they confront.
All are necessary.

Question No: 11 (Marks: 1) - Please choose one
Suppose the first four units of an output produced incur corresponding total costs of 50, 150, 300, and 500. The marginal cost of the second unit of output is:

► 50.
► 100.
► 150.
► 200.

Question No: 12 (Marks: 1) - Please choose one
Law of diminishing marginal utility indicates that the slope of the marginal utility curve is:

► Horizontal.
► Vertical.
► Negative.
► Positive.

Question No: 5 (Marks: 1) - Please choose one
An increase in supply is shown by:
► Shifting the supply curve to the left.
► Shifting the supply curve to the right.
► Upward movement along the supply curve.
► Downward movement along the supply curve.

Reference Graph :
http://www.oocities.com/economissed/graphics/cattle_supply2.GIF

Question No: 6 (Marks: 1) - Please choose one
When an industry's raw material costs increase, other things remaining the same:
► The supply curve shifts to the right.
► Output increases regardless of the market price and the supply curve shifts upward.
► Output decreases and the market price also decrease.

► The supply curve shifts to the left .

Input prices - As the prices of inputs such as labour, raw materials, and capital increase, production tends to be less profitable, and less will be produced. This leads to a decrease in supply.

Question No: 7 (Marks: 1) - Please choose one
Sugar can be refined from sugar beets. When the price of those beets falls:

► The demand curve for sugar would shift right.
► The demand curve for sugar would shift left.
► The supply curve for sugar would shift right.
► The supply curve for sugar would shift left.

Question No: 8 (Marks: 1) - Please choose one
The price elasticity of demand measures the responsiveness of quantity demanded to:

► Quantity demanded.
► Quantity supplied.
► Price.
► Output.

Question No: 9 (Marks: 1) - Please choose one
Since the fish that are caught each day go bad very quickly, the daily catch will be offered for sale no matter what price it brings. As a result, we know that:

► None of the given options.
► The daily supply curve for fish slopes upward.
► The daily supply curve for fish is perfectly inelastic .
► The daily supply curve for fish is perfectly elastic.

Question No: 10 (Marks: 1) - Please choose one
In order to calculate the price elasticity of supply, you need to know:

► Two prices and two quantities supplied.
► The slope of the supply curve.
► The equilibrium price and quantity in the market.
► The quantity supplied at two different prices, all else equal.

Question No: 1 (Marks: 1) - Please choose one
Land is best described as:

► Produced factors of production.

► "Organizational" resources.
► Physical and mental abilities of people.
► "Naturally" occurring resources.

Natural resources (economically referred to as land or raw materials) occur naturally within environments that exist relatively undisturbed by mankind, in a natural form. A natural resource is often characterized by amounts of biodiversity existent in various ecosystems.

Question No: 2 (Marks: 1) - Please choose one
While moving from left to right, the typical production possibilities curve has:

► An increasingly steep negative slope.
► A decreasingly steep negative slope.
► An increasingly steep positive slope.
► A constant and negative slope.

Question No: 3 (Marks: 1) - Please choose one
When government sets the price of a good and that price is above the equilibrium price, the result will be:

► A surplus of the good.
► A shortage of the good.
► An equilibrium.
► None of the given options.

SSurplus:

A surplus is a situation of excess supply, in which market demand falls short of the quantity

supplied; i.e. the producers are unable to sell all the produced goods in the market.

so increase in price would result in lesser demand...which creates surplus situation.

Question No: 4 (Marks: 1) - Please choose one
If pen and ink are complements, then an increase in the price of pen will cause:

► An increase in the price of ink.
► Less ink to be demanded at each price.
► A decrease in the demand for pen.

► A rightward shift in the demand curve for ink.

Question No: 37 (Marks: 1) - Please choose one

A welfare loss occurs in monopoly where:

► The price is greater than the marginal cost.
► The price is greater than the marginal benefit.
► The price is greater than the average revenue.
► The price is greater than the marginal revenue.

Question No: 38 (Marks: 1) - Please choose one

Which of the following is NOT a factor of production?

► Labour.
► Land.
► Capital.
► Investment.

Question No: 39 (Marks: 1) - Please choose one

Which of the following does NOT refer to macroeconomics?

► The study of the aggregate level of economic activity.
► The study of the economic behavior of individual decision-making units such as consumers, resource owners, and business firms.
► The study of the cause of unemployment.
► The study of the cause of inflation.

Question No: 40 (Marks: 1) - Please choose one

Demand is elastic when the elasticity of demand is:

► Greater than 0 but less than 1.
► Greater than 1. -
► Less than 0.

► Equal to 1.

Question No: 32 (Marks: 1) - Please choose one

Which of the following would most likely shift the production possibilities curve for a nation outward?

► A reduction in unemployment.
► An increase in the production of capital goods.
► A reduction in discrimination.
► An increase in the production of consumer goods.

Question No: 33 (Marks: 1) - Please choose one

A demand schedule is best described as:

► A numerical tabulation of the quantity demanded of a good at different prices, ceteris paribus.
► A graphical representation of the law of demand.
► A systematic listing of all the variables that might conceivably bring about a change in demand.
► A symbolic representation of the law of demand: P,Q and Q, P.

Question No: 34 (Marks: 1) - Please choose one

A partial explanation for the inverse relationship between price and quantity demanded is that a:

► Lower price shifts the supply curve to the left.
► Higher price shifts the demand curve to the left.
► Lower price shifts the demand curve to the right .
► Higher price reduces the real incomes of buyers.

Question No: 35 (Marks: 1) - Please choose one

The total utility curve for a risk neutral person will be:

► Straight line.
► Convex.
► Concave.
► None of the given options.

Question No: 26 (Marks: 1) - Please choose one

The monopolist has no supply curve because:

► The quantity supplied at any particular price depends on the monopolist's demand curve.
► The monopolist's marginal cost curve changes considerably over time.
► The relationship between price and quantity depends on both marginal cost and average cost.

► Although there is only a single seller at the current price, it is impossible to know how many sellers would be in the market at higher prices.

Question No: 27 (Marks: 1) - Please choose one
In monopoly, which of the following is TRUE at the output level, where price = marginal cost?

► The monopolist is maximizing profit.
► The monopolist is not maximizing profit and should increase output.
► The monopolist is not maximizing profit and should decrease output.
► The monopolist is earning a positive profit.

Question No: 28 (Marks: 1) - Please choose one
Following are the disadvantages of monopoly EXCEPT:
► Monopolists earn higher profits.
► Monopolists produce high quality goods at higher prices.
► Most of the "surplus" (producer + consumer surplus) accrues to monopolists.
► Monopolists do not pay sufficient attention to increasing efficiency.

Question No: 29 (Marks: 1) - Please choose one
When a firm charges each customer the maximum price that the customer is willing to pay, the firm:

► Engages in a discrete pricing strategy.
► Charges the average reservation price.
► Engages in second-degree price discrimination.
► Engages in first-degree price discrimination.

Question No: 30 (Marks: 1) - Please choose one
Third-degree price discrimination involves:

► Charging each consumer the same two part tariff.
► Charging lower prices the greater the quantity purchased.
► The use of increasing block rate pricing.
► Charging different prices to different groups based upon differences in elasticity of demand.

Question No: 21 (Marks: 1) - Please choose one
Costs determine all of the following EXCEPT:

► Demand for a product.
► Firm's behaviour.
► How firms should expand?
► Firm's profitability.

Question No: 22   (Marks: 1)   - Please choose one
Total costs are the sum of:
► Marginal costs and variable costs.
► Fixed costs and variable costs.
► Fixed costs and marginal costs.
► Average variable costs and marginal costs.

Question No: 23   (Marks: 1)   - Please choose one
To find the profit maximizing level of output, a firm finds the output level where:
► Price equals marginal cost.
► Marginal revenue and average total cost.
► Price equals marginal revenue.
► None of the given options.

Question No: 24   (Marks: 1)   - Please choose one
The good produced by a monopoly:

► Has perfect substitutes.
► Has no substitutes at all .
► Has no close substitutes.
► Can be easily duplicated
Question # 4 of 15 (Start time: 07:09:40 PM) Total Marks: 1
Normally the shape of production possibilities curve is:
Select correct option:

Positive
Convex
Linear
Concave
Refrence:

the marginal rate of substitution in production is also the slope of theproduction possibilities curve. The production possibilities curve is concaveto the origin.

: Question # 5 of 15 (Start time: 07:11:04 PM) Total Marks: 1
If the supply of a product decreases and supply curve shifts leftward, and the demand for that product simultaneously increases and demand curve shifts rightward, then equilibrium:
Select correct option:

Price must rise.
Price must fall.
Quantity must rise.
Quantity must fall.

Question # 6 of 15 (Start time: 07:11:47 PM) Total Marks: 1
The effect of a change in income on the quantity of the good consumed is called the:
Select correct option:

Income effect.
Budget effect.
Substitution effect.
Real income effect.

Question # 7 of 15 (Start time: 07:12:36 PM) Total Marks: 1
The price elasticity of supply shows us:
Select correct option:

How steep the supply curve is.
How fast supply responds to price.
How much supply shifts when income changes.
How much quantity supplied responds to price changes.

Refrence:
PRICE ELASTICITY OF SUPPLY
The relative response of a change in quantity supplied to a relative change in price.

Question # 8 of 15 (Start time: 07:13:18 PM) Total Marks: 1
If a decrease in price increases total revenue:
Select correct option:

Demand is elastic.
Demand is inelastic.

Supply is elastic.
Supply is inelastic.

Refrence:
If an decrease in price causes a increase in total revenue, then demand can be said to be inelastic

1. In a perfectly competitive market:
   Select correct option:
   - Firms can freely enter and exit.
   - Firms sell a differentiated product.
   - Transaction costs are high.
   - All of the given options.

2. The production possibilities curve:
   Select correct option:
   - Shows all combinations of goods that society most desires.
   - Indicates that any combination of goods lying outside the curve is attainable.
   - Shows the maximum level of output that an economy can produce with all the available resources .
   - Shows only those combinations of two goods that reflect "full production".

3. Demand is elastic when the elasticity of demand is:
   Select correct option:
   - Greater than 0.
   - Greater than 1.
   - Less than 1.
   - Less than 0.
4. We know that the demand for a good or service is inelastic if:
   Select correct option:
   - When price rises, quantity demanded rises.
   - When price rises, quantity demanded falls.
   - When price rises, total revenue rises.
   - When price rises, total revenue falls.

5. A negatively sloped isoquant implies:
Select correct option:
Products with negative marginal utilities.
Products with positive marginal utilities .
Inputs with negative marginal products.
Inputs with positive marginal products.

6. If the income elasticity of demand for boots is 0.2, a 10% increase in consumer income will lead to a:
Select correct option:
20% increase in the quantity of boots demanded.
20% decrease in the quantity of boots demanded.
2% increase in the quantity of boots demanded.
0.2% increase in the quantity of boots demanded.

7. Question # 7 of 15 (Start time: 03:31:29 PM) Total Marks: 1
We know that the demand for a product is elastic if:
Select correct option:
When price rises, revenue rises.
When price rises, revenue falls.
When price rises, quantity demanded rises.
When price falls, quantity demanded rises.

8. A Demand Curve is price inelastic when:
Select correct option:
Changes in demand are proportionately smaller than those in price.
Changes in demand are proportionately greater than those in price.
Changes in demand are equal than those in price.
None of the given options.

9. Which of the following is considered to be a variable cost in the long run?
Select correct option:

Expendiures for wages.
Expenditures for research and development.
Expenditures for raw materials.
All of the given Costs.

10. The numerical measurement of a consumer’s preference is called:
Select correct option:
Satisfaction.
Use.
Pleasure.
Utility.

11. The marginal rate of substitution is equal to the:
Select correct option:
Magnitude of the slope of the indifference curve
Relative price
Marginal cost of each good
Slope of the budget line

12. Marginal Cost is defined as:Select correct option:
The derivative of Variable Cost with respect to quantity produced.
The derivative of Average Cost with respect to quantity produced.
The derivative of Total Cost with respect to quantity produced.
The derivative of Average Variable Cost with respect to quantity produced.

13. The effect of a change in income on the quantity of the good Select correct option:

Income effect.
Budget effect.
Substitution effect.
Real income effect.nsumed is called the

Question # 10 of 15 (Start time: 07:14:44 PM) Total Marks: 1
When producers are unable to meet market demand for the product, this results as:
Select correct option:

Surplus of goods
Market failure
Monopoly
Shortage of good

Question # 11 of 15 (Start time: 07:15:43 PM) Total Marks: 1
The percentage change in quantity demanded given a percentage change in consumer's income is known as:
Select correct option:

Price elasticity of demand.
Income elasticity of demand.
Supply price elasticity.
Cross price elasticity.
REFRENCE:

Types of Elasticity of Demand
When the change in demand is the result of the given change in income, ... When the percent change in quantity of a good demanded is less than the ... a good to a change in the income of a consumer is called income elasticity of demand.

Question # 12 of 15 (Start time: 07:16:16 PM) Total Marks: 1
If the cross price elasticity of demand between two products is -3.5, then:
Select correct option:

One of the products is expensive and one is relatively inexpensive.
One product is a normal good and the other is an inferior good.
The two products are complements.
The two products are substitutes.

Question # 13 of 15 (Start time: 07:17:37 PM) Total Marks: 1
The demand curve facing a perfectly competitive firm is:
Select correct option:

The same as its average revenue curve but not the same as its marginal revenue curve.
The same as its average revenue curve and its marginal revenue curve.
The same as its marginal revenue curve but not its average revenue curve.
Not the same as either its marginal revenue curve or its average revenue curve.

The demand curve facing a perfectly competitive firm is:
Select correct option:

The same as its average revenue curve but not the same as its marginal revenue curve.
The same as its average revenue curve and its marginal revenue curve .
The same as its marginal revenue curve but not its average revenue curve.
Not the same as either its marginal revenue curve or its average revenue curve

Insurance companies operate under the principle of:

Law of large numbers.
Law of small numbers.
Law of zero numbers.
All of the given options
Handouts lecture 16
Insurance companies operate under the principle of law of large numbers.

The opportunity cost of an action:

Will be the same for everyone.
Is the value of the next best alternative.
Measures the undesirable aspects of that action.
Is the average amount of unhappiness experienced by everyone involved.

Which of the following is TRUE about the production function?

It relates inputs with output.
It generates a curve that is upward sloping.
It shows diminishing marginal product of an input, since it gets flatter as output rises.
All of the given options are true

The production function relates the output of a firm to the amount of inputs, typically capital and labor.

It is important to keep in mind that the production function describes technology, not economic behavior. A firm may maximize its profits given its production function, but generally takes the production function as a given element of that problem. (In specialized long-run models, the firm may choose its capital investments to choose among production technologies.)

Revenue is equal to:

Price times quantity.
Price times quantity minus total cost.
Price times quantity minus average cost.
Price times quantity minus marginal cost.

If two goods were perfect complements, their indifference curves would be:

Straight lines
L-shaped
Rectangular hyperbolas
Parabolic

Which of the following statements describes increasing returns to scale:

Doubling the inputs used leads to double the output.
Increasing the inputs by 50% leads to a 25% increase in output.
Increasing inputs by 1/4 leads to an increase in output of 1/3.
None of the given options.

Curves that are convex to the origin reflect:

An increasing marginal rate of substitution.
A decreasing marginal rate of substitution.
A constant marginal rate of substitution.
A marginal rate of substitution that first decreases then increases.

The curves are convex to the origin, describing the negative **substitution effect**. As price rises for a fixed money income, the consumer seeks less the expensive substitute at a lower indifference curve.

An indifference curve is:

A collection of market baskets that are equally desirable to the consumer.
A collection of market baskets that the consumer can buy.
A curve whose elasticity is constant for every price.
A curve which passes through the origin and includes all of the market baskets that the consumer regards as being equivalent.

The numerical measurement of a consumer's preference is called:

Satisfaction.
Use.
Pleasure.
Utility.

The total cost (TC) function is given as: TC = 200 + 5Q. What is the variable cost?

200.
5Q
5.
5 + (200/Q).
Handouts lecture 16
TC = FC + VC

We know that the demand for a product is elastic if:

When price rises, revenue rises.
When price rises, revenue falls.
When price rises, quantity demanded rises.
When price falls, quantity demanded rises.

Handouts lecture 06

Elastic demand means when price of any product increases, its demand also increases more than the increase in price. As price increases total revenue decreases in case of elastic demand.
A price taker is:

A firm that accepts different prices from different customers.
A monopolistically competitive firm.
A firm that cannot influence the market price.
An oligopolistic firm.
Handouts lecture 17

Moving from left to right, the typical production possibilities curve:

Is horizontal.
Has a constant positive slope.
Illustrates increasing opportunity costs.
Illustrates decreasing opportunity costs

At any given point on an indifference curve, the slope is equal to:

Unity.
The marginal rate of substitution.
The consumer's marginal utility.
None of the given options.
Handouts lecture 11

A market is said to be in equilibrium when:

Supply equals Price.
There is downward pressure on price.
The amount consumers wish to buy at the current price equals the amount producers wish to sell at that price.
All buyers are able to find sellers willing to sell to them at the current price.

A negatively sloped isoquant implies:

Products with negative marginal utilities.
Products with positive marginal utilities.
Inputs with negative marginal products .
Inputs with positive marginal products

The principle economic difference between a competitive and a non-competitive market is:

The number of firms in the market.
The extent to which any firm can influence the price of the product.
The size of the firms in the market.
The annual sales made by the largest firms in the market.

In economics, the "long run" is a time period in which:

All inputs are variable.
All inputs are paid for.
All outputs are determined.
All loans are repaid.

Handouts lecture 08
Long run is a period over which all factors can be changed and full adjustment to shocks can take place.

A schedule which shows the various amounts of a product consumers are willing and able to purchase at each price in a series of possible prices during a specified period of time is called:

Supply Scedule.
Demand Scedule.

Quantity supplied Scedule.
Quantity demanded Scedule.

Demand schedule:
A demand schedule is a table (sometimes also referred to as a graph) which shows various combinations of quantity demanded and price.

If marginal product is below average product:

The total product will fall
The average product will fall
Average variable costs will fall
Total revenue will fall

A mathematical connection between average product and marginal product states that the change in the average product depends on a comparison between the average product and marginal product. If marginal product is less than average product, then average product declines.

When the price of petrol rises by 8%, the quantity of petrol purchased falls by 6%. This shows that the demand for petrol is:

Perfectly elastic.
Unit elastic.
Price elastic.
Price inelastic.
solution
Ped= % change in Q demand / % change in Q Price
= 6%/8%= 0.75
Where e>1 elastic
e<1 inelastic
When the price elasticity of demand for a good is greater than 1, we say that the demand is:

Increasing.
Decreasing.
Elastic.
Inelastic
Handouts lecture 06

The law of diminishing marginal utility states:

The supply curve slopes upward.
Your utility grows at a slower and slower rate as you consume more and more units of a good.

The elasticity of demand is infinite.
None of the given options.

The law of diminishing marginal utility states that as you consume more and more of a
particular good, the satisfaction or utility that you derive from each additional unit falls.

Suppose price rises from Rs. 15 to Rs. 17 and quantity demanded decreases by 20%. We can conclude:

Demand is inelastic.
The elasticity of demand is 2.
Total revenue will decrease.
Demand is unit elastic .

Ped= % change in Q demand / % change in Q Price
= 20%/13%= 1.53

Indifference curve is:

A collection of market baskets that are equally desirable to the consumer.
A collection of market baskets that the consumer can buy.
A curve whose elasticity is constant for every price.
A curve which passes through the origin and includes all of the market baskets that the consumer regards as being equivalent.

In **microeconomic theory**, an indifference curve is a **graph** showing different bundles of **goods**, each measured as to quantity, between which a consumer is indifferent. That is, at each point on the curve, the consumer has no **preference** for one bundle over another. In other words, they are all equally preferred.

The burden of a tax is shifted toward buyers if:

Demand is perfectly elastic.
Demand is relatively more elastic than supply.
Demand is relatively more inelastic than supply.
Demand and supply have equal elasticities

When the price elasticity of demand for a good is greater than 1, we say that the demand is:

Increasing.
Decreasing.
Elastic.
Inelastic.

If firms in a competitive industry are experiencing losses in the short run, then:

The firms will try to raise prices.
Some firms will choose to shut down .
The industry will cease to exist.
New firms will enter the industry.
Handouts lecture 19

If firms are making losses in the short run, they will leave the industry in the long run causing supply to fall, prices to rise and normal profitability to be restored. In the long run, therefore, perfectly competitive firms can only earn normal profits.

Which best expresses the law of demand?

A higher price reduces demand.
A lower price reduces demand.
A higher price reduces quantity demanded.
A lower price shifts the demand curve to the right.

Law of demand:
The law of demand states that if the price of a certain commodity rises, its quantity demanded will go down, and vice-versa.

“Each firm produces an identical product and there is freedom of entry and exit”. This is TRUE for which of the following market structures?
Select correct option:

For Monopoly.
For Oligopoly.
For Perfect competition.
For Monopolistic competition.

Production possibilities analysis assumes that:

Resources and technology increase with production.

Resources are used to produce thousands of goods. Not sure
Extra resources are saved for emergency use.
Resources are used in a technically efficient way.

Production possibilities is analysis of the alternative combinations of two (or more) goods that an economy can produce with existing resources and technology in a given time period.

Assume Leisure is a normal good. If income effect equals substitution effect then a wage rate increase will lead a person to:

Increase hours of work
Decrease hours of work
Not change hours of work
None of the given options
Which of the following is true about the total cost curve?

It relates output with total cost.
It is usually upward sloping.
Gets steeper as output rises, due to diminishing marginal product of an input.
All of the given options are true

http://www.amosweb.com/cgi-bin/awb_nav.pl?s=wpd&c=dsp&k=total+cost+curve

The shape of production possibilities curve is:

Concave.
Convex.
Linear.
Positive.

The PPF is bowed outwards (concave to the origin) as tradeoffs between the production of any two goods are constant.
A person with a diminishing marginal utility of income:

Will be risk averse.
Will be risk neutral.
Will be risk loving.
Cannot decide without more information.

The degree of risk aversion increases as your income level falls, due to diminishing marginal utility of income.

Suppose we find that the cross-price elasticity of demand for two products is a negative number. We know that:

The two goods are normal goods.
The two goods are inferior goods.
The two goods are substitutes.
The two goods are complements.

Handouts Lecture 08

The demand curve facing a perfectly competitive firm is:

The same as its average revenue curve but not the same as its marginal revenue curve.
The same as its average revenue curve and its marginal revenue curve.
The same as its marginal revenue curve but not its average revenue curve.
Not the same as either its marginal revenue curve or its average revenue curve.

The demand (or AR) curve for the industry is downward sloping but for any individual perfectly competitive firm, is horizontal. Thus, the firm can sell as much at the given market price. For this reason, the AR and MR curves align under perfect competition.

Average physical product is equal to:
Select correct option:

TPPF
TPPF/QF
QF / TPPF
TPPF * QF
Handouts Lecture 13

In the long run, profits will equal zero in a competitive market because of:

The availability of information.
Identical products being produced by all firms.
Constant returns to scale.
Free entry and exit

The substitution effect of a price decrease for a good with a normal indifference curve pattern:

Is always inversely related to the price change.
Measures the change in consumption of the good that is due to the consumer's feeling of being richer.
Is measured by the horizontal distance between the original and the new indifference curves.

Is sufficient information to plot an ordinary demand curve for the commodity being considered.

In a production process, all inputs are increased by 10%; but output increases more than 10%. This means that the firm experiences:

Decreasing returns to scale.
Constant returns to scale.
Increasing returns to scale .
Negative returns to scale.

Returns to scale refers to a technical property of production that examines changes in output subsequent to a proportional change in all inputs (where all inputs increase by a constant).

Price floor results in:

Equilibrium.
Excess demand.
Excess supply.
All of the given options.

The demand curve facing a perfectly competitive firm is:

Upward sloping.
Downward sloping.
Horizontal.
Vertical.

For a perfectly competitive firm with no market control, the Demand curve is a horizontal line. Because a perfectly competitive firm is a price taker and faces a horizontal demand curve, its marginal revenue curve is also horizontal and coincides with its average revenue (and demand) curve.

The marginal rate of substitution is equal to the:

Magnitude of the slope of the indifference curve
Relative price
Marginal cost of each good
Slope of the budget line

MARGINAL RATE OF SUBSTITUTION shows the average slope of the indifference curve between any two points is given by the change in the quantity of good Y divided by change in the quantity of good X.

Which of the following defines the opportunity cost?

It is measured only in rupees.

It is the cost to society of producing the goods.
It is the difficulty associated with using one good in place of another.
It is the cost of next best alternative forgone.

Opportunity cost is the next-best choice available to someone who has picked between several **mutually exclusive** choices.

Question # 14 of 15 (Start time: 07:18:13 PM) Total Marks: 1
Which of the following is true about the entrepreneur?
Select correct option:

An entrepreneur is an innovator.
An entrepreneur is someone who brings resources together and produces a product.
An entrepreneur is a risk taker.
All of the given options are correct.

Question No: 1 (Marks: 1) - Please choose one
In pure capitalism, the role of government is best described as:
► Significant.
► Extensive.
► Nonexistent.
► Limited.

Question No: 2 (Marks: 1) - Please choose one
Ceteris paribus means:

► Equal access to public transportation.
► Other things being equal.
► Other things not being equal.
► All things considered.

Question No: 3 (Marks: 1) - Please choose one
While moving from left to right, the typical production possibilities curve has:
► An increasingly steep negative slope.
► A decreasingly steep negative slope.
► An increasingly steep positive slope.
► A constant and negative slope.

Question No: 4 (Marks: 1) - Please choose one
A market is said to be in equilibrium when:
► Demand equals output.
► There is downward pressure on price.
► The amount consumers wish to buy at the current price equals the amount producers wish to sell at that price .

► All buyers are able to find sellers willing to sell to them at the current price.
Question No: 5 (Marks: 1) - Please choose one
A demand curve is price inelastic when:
► Changes in demand are proportionately smaller than changes in price.
► Changes in demand are proportionately greater than changes in price.
► Changes in demand are equal to changes in price.
► None of the given options.

Question No: 6 (Marks: 1) - Please choose one
Which of the following will be TRUE if demand is inelastic?
► The coefficient of elasticity is greater than one.
► The percentage change in quantity demanded is same as the percentage change in the price.
► An increase in price will increase total revenue.
► None of the given options.

Question No: 7 (Marks: 1) - Please choose one
As more of a good is consumed, then total utility typically:
► Increases at a decreasing rate.
► Decreases as long as marginal utility is negative.
► Decreases as long as marginal utility is positive.
► Is negative as long as marginal utility is decreasing.

Question No: 8 (Marks: 1) - Please choose one
The numerical measurement of a consumer's preference is called:
► Use.
► Pleasure.
► Utility.
► Satisfaction.

Question No: 9 (Marks: 1) - Please choose one
Marginal utility is best described as:

► The total satisfaction gained from the total consumption of the good.
► The change in satisfaction from consuming one additional unit of the good.
► The additional satisfaction gained by consumption of the last good.
► The per unit satisfaction of the good consumed.

Question No: 10 (Marks: 1) - Please choose one
When the marginal utility of a good is zero, this implies that:

► The consumer would not spend any additional income to buy more of that good.
► Consumption of additional units would have positive marginal utility.
► Total utility is minimized.
► Total utility is also zero.

Question No: 11 (Marks: 1) - Please choose one
Suppose that the price of a pizza is $10 and price of a jeans is $30. If ratio of marginal utility of pizza to marginal utility of jeans is 1/4 then to maximize total utility, a consumer should:
► Buy more pizzas and fewer jeans.
► Buy fewer pizzas and more jeans .
► Continue to buy the same quantities of pizza and jeans.
► Spend more time consuming pizza.

Question No: 12 (Marks: 1) - Please choose one
Which of the following is TRUE about price-consumption curve for good X?

► Nominal income falls as the price of X falls.
► The absolute price of X falls, but the relative price between X and the composite good Y stays the same.
► It is always downward sloping for a normal good.
► It represents only those market baskets that are optimal for the given price ratio and preference pattern and therefore a demand curve can be plotted from it.

Question No: 13 (Marks: 1) - Please choose one
A production function:

► Relates inputs with output.
► Generates a curve that is upward sloping.
► Shows diminishing marginal product of an input, since it gets flatter as output rises.
► All of the given options.
Question No: 14 (Marks: 1) - Please choose one
________________ arises when an increase in all inputs leads to a more-than-proportional increase in the level of output. ______________ means that as inputs are added to the production process, output increases proportionally.

► Economies of scale; constant returns to scale.
► Constant returns to scale; decreasing returns to scale.
► Decreasing returns to scale; economies of scale.
► Economies of scale; decreasing returns to scale.

Question No: 15 (Marks: 1) - Please choose one
The budget line is the boundary between:
► Preferred and non preferred consumption combinations.
► Affordable and unaffordable consumption combinations.
► Income and expenditure.
► One point on a budget line.
Question No: 16 (Marks: 1) - Please choose one
Marginal profit is equal to:
► Marginal revenue minus marginal cost.
► Marginal revenue plus marginal cost.
► Marginal cost minus marginal revenue.
► Marginal revenue times marginal cost.

Question No: 17 (Marks: 1) - Please choose one
Revenue is equal to:
► Price times quantity.
► Price times quantity minus total cost.
► Price times quantity minus average cost.
► Price times quantity minus marginal cost.

Question No: 18 (Marks: 1) - Please choose one
A perfectly competitive firm maximizes profit by finding the level of production at which:
► Price = Marginal Cost.
► Price = Average Total Cost.
► Average Total Cost = Marginal Cost.
► Price < Marginal Cost.

Question No: 19 (Marks: 1) - Please choose one
When a firm charges each customer the maximum price that the customer is willing to pay, the firm:
► Engages in a discrete pricing strategy.
► Charges the average reservation price.
► Engages in second-degree price discrimination.
► Engages in first-degree price discrimination.
Question No: 20 (Marks: 1) - Please choose one
A market with few entry barriers and with many firms that sell differentiated products is:

► Purely competitive.
► A monopoly.
► Monopolistically competitive.
► Oligopolistic.

Question No: 21 (Marks: 1) - Please choose one
The textbook for your class was not produced in a perfectly competitive industry because:
► There are so few firms in the industry that market shares are not small, and firm's decisions have an impact on market price .
► Upper-division microeconomics texts are not all alike.
► It is not costless to enter or exit the textbook industry.
► All of the given options.

Question No: 22 (Marks: 1) - Please choose one
A person with a diminishing marginal utility of income is said to be:
► Risk averse person.
► Risk neutral person.
► Risk loving person.
► None of the given options.

Question No: 23 (Marks: 1) - Please choose one
Which of the following is TRUE in a planned economy?
► Goods and services produced reflect consumer sovereignty.
► Price is relatively unimportant as a means of allocating resources.
► There is no incentive for people to work hard.
► All income is completely evenly distributed.

Question No: 24 (Marks: 1) - Please choose one
What is the assumption of constructing a production possibilities curve?

► Economic resources are underutilized.
► Resources are equally productive in many alternative uses.
► All available resources are employed efficiently.

► Production technology is allowed to vary.
Question No: 25 (Marks: 1) - Please choose one
Suppose the total utilities for the first four units of a good consumed are 13, 23, 33, and 43 respectively. What is the marginal utility of the third unit?
► 10.
► 13.
► 20.
► 33.

Question No: 26 (Marks: 1) - Please choose one
The total cost (TC) function is given as: TC = 200 + 5Q. What is the fixed cost?
► 5Q.
► 5.
► 5 + (200/Q).
► 200.
TC = FC + VC

Question No: 27 (Marks: 1) - Please choose one
Which of the following is TRUE for the total cost of producing a given level of output?
► It is maximized when a corner solution exists.
► It is minimized when the ratio of marginal product to input price is equal for all inputs.
► It is minimized when the marginal products of all inputs are equal.
► It is minimized when marginal product multiplied by input price is equal for all inputs.
Question No: 28 (Marks: 1) - Please choose one
“Each firm produces an identical product and there is freedom of entry and exit”. This is TRUE for which of the following market structures?
► For monopoly.
► For oligopoly.
► For perfect competition.
► For monopolistic competition.
Question No: 29 (Marks: 1) - Please choose one
Usually, for electric sales, the electric power company uses block pricing strategy. It is an example of:
► First-degree price discrimination.
► Second-degree price discrimination.
► Third-degree price discrimination.
► Block pricing is not a type of price discrimination.
Question No: 30 (Marks: 1) - Please choose one
If average physical product (APP) is decreasing then which of the following must be true?

► Marginal physical product is more than the average physical product.
► Marginal physical product is less than the average physical product.
► Marginal physical product is decreasing.
► Marginal physical product is increasing.
Question No: 31 (Marks: 1) - Please choose one
Which of the following statement describes decreasing returns to scale?
► Increasing the inputs by 1/4% leads to a 1/2% increase in output.
► Increasing inputs by 1/2 leads to an increase in output of 1/6.
► Doubling the inputs used leads to double the output.
► None of the given options.
Question No: 32 (Marks: 1) - Please choose one
If different firms in the oligoplistic structures do not cooperate with each other is known as

► Collusive oligopoly.
► Cartel.
► Price leadership.
► Non-collusive oligopoly.
Question No: 33 (Marks: 1) - Please choose one
Consumers can make about the rational decision by using:
► Total utility and marginal utility approach.
► Income and consumption analysis.
► Cost and benefit analysis.
► Working hours and leisure time.
Question No: 34 (Marks: 1) - Please choose one
What might be the reason of a rightward shift in the demand curve for product X?
► An increase in income if X is a normal good.
► A decrease in income if X is an inferior good .
► An increase in the price of a product that is complementary to X.
► An increase in the price of a product that is substitute to X.
MC100400618 : Azib Ali

Quiz Start Time: 10:25 PM
Time Left 87
sec(s)
Question # 7 of 15 (Start time: 10:31:36 PM) Total Marks: 1
An indifference curve is:
Select correct option:
A collection of market baskets that are equally desirable to the consumer .
A collection of market baskets that the consumer can buy.

A curve whose elasticity is constant for every price.
A curve which passes through the origin and includes all of the market baskets that the consumer regards as being equivalent.

Due to capacity constraints, the price elasticity of supply for most products is:
Select correct option:

The same in the long run and the short run.
Greater in the long run than in the short run .
Greater in the short run than in the long run.
Too uncertain to be estimated

Select correct option:
An individual with a constant marginal utility of income will be:
Risk averse
Risk neutral
Risk loving
Not enough information.

At the equilibrium price:
Select correct option:
There will be a shortage
There will be neither a shortage nor a surplus
There will be a surplus
There are forces that cause the price to change

Because of the relationship between a perfectly competitive firm's demand curve and its marginal revenue curve, the profit maximization condition for the firm can be written as:
Select correct option:
P = MR
P = AVC
AR = MR
P = MC

In the long run, competitive firms MUST be profit maximizes, because if they do not maximize profits:
Select correct option:
They will attract new competitors.
They will not be price takers.
The profits that they do earn will only cover variable costs.
They will not survive.

If a firm pays cash to buy a building so as to have office space for its workers, the monthly opportunity cost of the building is best measured as:
Select correct option:

The price the firm paid divided by twelve.
Zero.
The rent the firm could earn if it rented the building to another firm.
The monthly mortgage payment the firm would have had to pay.

The oligopoly model that predicts that oligopoly prices will tend to be very rigid is the ______________ model.
Select correct option:

Cournot
Stackelberg
Dominant firm
kinked demand

In which market structure(s) will price exceed marginal revenue?
Select correct option:

Differentiated oligopoly and monopoly only
Standardized oligopoly and pure competition only
Monopolistic competition and monopoly only
Monopolistic competition, oligopoly, and monopoly

Feedback: Price will exceed marginal revenue in any industry in which firms face a downward-sloping demand curve. Pure competition is the only industry in which this is not the case.

An indifference curve is:
Select correct option:

A collection of market baskets that are equally desirable to the consumer.
A collection of market baskets that the consumer can buy.
A curve whose elasticity is constant for every price.
A curve which passes through the origin and includes all of the market baskets that the consumer regards as being equivalent.

If a sales tax on beer leads to reduced tax revenue, this means:
Select correct option:
Elasticity of demand is < 1.
Elasticity of demand is > 1.
Demand is upward-sloping.
Demand is perfectly inelastic.

Question # 1 of 15 (Start time: 04:08:37 PM) Total Marks: 1
If the demand curve for a good is downward sloping, then the good:
Select correct option:
Must be normal.
Must be inferior. (Correct)
Must be Giffen.
Can be normal or inferior.

Question # 2 of 15 (Start time: 04:09:42 PM) Total Marks: 1
Which of the following does NOT refer to macroeconomics?
Select correct option:
The study of the aggregate level of economic activity.
The study of the economic behavior of individual decision-making units such as consumers, resource owners, and business firms. (Correct)
The study of the cause of unemployment.
The study of the cause of inflation.

Question # 3 of 15 (Start time: 04:10:14 PM) Total Marks: 1
Which of the following is considered to be a variable cost in the long run?
Select correct option:
Expenditures for wages.
Expenditures for research and development.
Expenditures for raw materials.
All of the given Costs. (Correct)

Question # 4 of 15 (Start time: 04:11:44 PM) Total Marks: 1
If a profit-maximizing firm finds that, at its current level of production, MR < MC, it will:
Select correct option:
Increase output.
Operate at a loss.
Shut down.
Decrease output. (Correct)

Question # 5 of 15 (Start time: 04:13:00 PM) Total Marks: 1
If utility remains the same for original and new combination of goods consumed, the effect of a change in the price of a good on the quantities consumed will be called as:
Select correct option:
Substitution effect.
Real income effect.
Income effect. (Correct)
Budget effect.

Question # 6 of 15 (Start time: 04:14:09 PM) Total Marks: 1
The total cost (TC) function is given as: TC = 200 + 5Q. What is the fixed cost?
Select correct option:
200.
5Q. (Correct)
5.
5 + (200/Q).

Question # 7 of 15 (Start time: 04:14:32 PM) Total Marks: 1
If the income elasticity of demand for boots is 0.2, a 10% increase in consumer income will lead to a:
Select correct option:
20% increase in the quantity of boots demanded.
20% decrease in the quantity of boots demanded.
2% increase in the quantity of boots demanded. (Correct)
0.2% increase in the quantity of boots demanded.

Question # 8 of 15 (Start time: 04:14:51 PM) Total Marks: 1
We know that the demand for a good or service is inelastic if:
Select correct option:
When price rises, quantity demanded rises.
When price rises, quantity demanded falls. (Correct)
When price rises, total revenue rises.
When price rises, total revenue falls.

Question # 9 of 15 (Start time: 04:15:54 PM) Total Marks: 1
An individual with a constant marginal utility of income will be:
Select correct option:
Risk averse. (Correct)
Risk neutral.
Risk loving.
Insufficient information for a decision.

Question # 10 of 15 (Start time: 04:16:23 PM) Total Marks: 1
Suppose we find that the cross-price elasticity of demand for two products is a negative number. We know that:
Select correct option:
The two goods are normal goods.
The two goods are inferior goods.
The two goods are substitutes.
The two goods are complements. (Correct)

Question # 11 of 15 (Start time: 04:16:53 PM) Total Marks: 1
A normative economic statement:
Select correct option:
Is a statement of fact.
Is a hypothesis used to test economic theory.
Is a statement of what ought to be, not what is. (Correct)
Is a statement of what will occur if certain assumptions are true.

Question # 12 of 15 (Start time: 04:17:26 PM) Total Marks: 1
Which of the following might be considered to be a characteristic of a planned economy?
Select correct option:
All income is completely evenly distributed.
Price is relatively unimportant as a means of allocating resources. (Correct)
Goods and services produced reflect consumer sovereignty.
There is no incentive for people to work hard.

Question # 13 of 15 (Start time: 04:18:01 PM) Total Marks: 1
If consumer incomes increase, the demand for product Y:
Select correct option:
Will necessarily remain unchanged.
Will shift to the right if Y is a complementary good.
Will shift to the right if Y is a normal good. (Correct)
Will shift to the right if Y is an inferior good.

Question # 14 of 15 (Start time: 04:18:44 PM) Total Marks: 1
If a decrease in price increases total revenue:
Select correct option:
Demand is elastic.
Demand is inelastic.
Supply is elastic. (Correct)
Supply is inelastic.

Question # 15 of 15 (Start time: 04:19:34 PM) Total Marks: 1
If the price elasticity of demand for beans is estimated to be -0.4, then a 20% increase in price will decrease the quantity demanded by:
Select correct option:
14%.
8%. (Correct)
16%.

20%.

MC100400618 : Azib Ali

Quiz Start Time: 10:25 PM
Time Left 89
sec(s)
Question # 5 of 15 (Start time: 10:28:41 PM) Total Marks: 1
The law of diminishing returns assumes:
Select correct option:
There are no fixed factors of production.
There are no variable factors of production.
Utility is maximised when marginal product falls.
Some factors of production are fixed.

A market is said to be in equilibrium when:
Select correct option:
Supply equals Price.
There is downward pressure on price.
The amount consumers wish to buy at the current price equals the amount producers wish to sell at that price. (Correct)
All buyers are able to find sellers willing to sell to them at the current price.

Which of the following is true about the point on a nation's production-possibilities curve?
Select correct option:
It shows an undesirable combination of goods and services.
It shows the combinations of production that are unattainable, given current technology and resources. (Correct)
It shows the level of production that will cause both unemployment and inflation.
It shows that resources are fully employed in producing a particular combination of goods and services.
At any given point on an indifference curve, the the slope is equal to:
Select correct option:
Unity.
The marginal rate of substitution. (Correct)
The consumer's marginal utility.
None of the given options.

When an industry's raw material costs increase, other things remaining the same:
Select correct option:
The supply curve shifts to the left. (Correct)

The supply curve shifts to the right.
Output increases regardless of the market price and the supply curve shifts upward.
Output decreases and the market price also decrease.

We know that the demand for a product is elastic if:
Select correct option:
When price rises, revenue rises.
When price rises, revenue falls. (Correct)
When price rises, quantity demanded rises.
When price falls, quantity demanded rises.

The cross elasticity of demand of complements goods is:
Select correct option:
Less than 0. (Correct) (See page#21)
Equal to 0.
Greater than 0.
Between 0 and 1.

If the income elasticity of demand is 1/2, the good is:
Select correct option:
A luxury.
A normal good (but not a luxury).
An inferior good. (Correct)
A Giffen good.

A schedule which shows the various amounts of a product consumers are willing and able to purchase at each price in a series of possible prices during a specified period of time is called:
Select correct option:
Supply Scedule.
Demand Scedule. (Correct)
Quantity supplied Scedule.
Quantity demanded Scedule.

Revenue is equal to:
Select correct option:
Price times quantity.
Price times quantity minus total cost. (Correct)
Price times quantity minus average cost.
Price times quantity minus marginal cost.

Ref:

http://books.google.com/books?id=HehV-mY1SkQC&pg=PA74&lpg=PA74&dq=%22Price+times+quantity+minus+total+cost%22&source=bl&ots=swW0dWryXG&sig=L87

The concave shape of the production possibilities curve for two goods X and Y illustrates:
Select correct option:
Increasing opportunity costs for both goods. (Correct)
Increasing opportunity cost for good X but not for good Y.
Increasing opportunity cost for good Y but not for good X.
Constant opportunity costs for both goods.

komaljn238: A new technology which reduces costs for firms:
Select correct option:
Shifts the supply curve to the right. (Correct)
Shifts the supply curve to the left.
Reduces the equilibrium quantity.
Raises the equilibrium price.

According the law of diminishing returns:
Select correct option:
The marginal product falls as more units of a variable factor are added to a fixed factor. (Correct)
Marginal utility falls as more units of a product are consumed.
The total product falls as more units of a variable factor are added to a fixed factor.
The marginal product increases as more units of a variable factor are added to a fixed factor.

Assume that the current market price is above the market clearing level. We would expect:
Select correct option:
A shortage to accumulate.
Downward pressure on the current market price. (Correct)
Upward pressure on the current market price.
Lower production during the next time period.

We know that the demand for a good or service is inelastic if:
Select correct option:
When price rises, quantity demanded rises.
When price rises, quantity demanded falls.
When price rises, total revenue rises. (Correct)
When price rises, total revenue falls.

A "Giffen good" is defined as one for which:
Select correct option:
Marginal utility is zero.
The demand curve is perfectly elastic.
The substitution effect is positive.
The demand curve is positively sloped. (Correct)

Assume Leisure is a normal good. If income effect equals substitution effect then a wage rate increase will lead a person to:
Select correct option:

Increase hours of work
Decrease hours of work (Correct)
Not change hours of work
None of the given options

If two goods were perfect complements, their indifference curves would be:
Select correct option:

Straight lines
L-shaped (Correct)
Rectangular hyperbolas
Parabolic

If two goods were perfect complements, their indifference curves would be:
Select correct option:

Straight lines (Correct)
L-shaped
Rectangular hyperbolas
Parabolic

Which of the following statements describes increasing returns to scale:
Select correct option:
Doubling the inputs used leads to double the output.
Increasing the inputs by 50% leads to a 25% increase in output.
Increasing inputs by 1/4 leads to an increase in output of 1/3. (Correct)
None of the given options.

curves that are convex to the origin reflect:

Select correct option:

An increasing marginal rate of substitution. (Correct)
A decreasing marginal rate of substitution.
A constant marginal rate of substitution.
A marginal rate of substitution that first decreases then increases.

An indifference curve is:
Select correct option:

A collection of market baskets that are equally desirable to the consumer.
A collection of market baskets that the consumer can buy.
A curve whose elasticity is constant for every price.
A curve which passes through the origin and includes all of the market baskets that the consumer regards as being equivalent. (Correct)
The numerical measurement of a consumer's preference is called:
Select correct option:

Satisfaction.
Use.
Pleasure.
Utility. (Correct)

An individual with a constant marginal utility of income will be:
Select correct option:

Risk averse. (Correct)
Risk neutral.
Risk loving.
Insufficient information for a decision.

Our economy is characterized by:
Select correct option:

Unlimited wants and needs. (Correct)
Unlimited material resources.
No energy resources.
Abundant productive labor.

Our economy is characterized by:
Select correct option:

Unlimited wants and needs. (Correct
Unlimited material resources.
No energy resources.
Abundant productive labor.

At any given point on an indifference curve, the the slope is equal to:
Select correct option:

Unity.
The marginal rate of substitution. (Correct)
The consumer’s marginal utility.
None of the given options.

The law of diminishing returns assumes:
Select correct option:

There are no fixed factors of production.
There are no variable factors of production.
Utility is maximised when marginal product falls.
Some factors of production are fixed. (Correct)

The percentage change in quantity demanded given a percentage change in consumer's income is known as:
Select correct option:

Price elasticity of demand.
Income elasticity of demand. (Correct)
Supply price elasticity.
Cross price elasticity.

A new technology which reduces costs for firms:
Select correct option:

Shifts the supply curve to the right. (Correct)
Shifts the supply curve to the left.
Reduces the equilibrium quantity.
Raises the equilibrium price

A new technology which reduces costs for firms:
Select correct option:

Shifts the supply curve to the right. (Correct)

Shifts the supply curve to the left.
Reduces the equilibrium quantity.
Raises the equilibrium price

The total cost (TC) function is given as: TC = 200 + 5Q. What is the variable cost?
Select correct option:

200.
5Q.
5.
5 + (200/Q). (Correct)

The demand curve facing a perfectly competitive firm is:
Select correct option:

The same as its average revenue curve but not the same as its marginal revenue curve.
The same as its average revenue curve and its marginal revenue curve. (Correct)
The same as its marginal revenue curve but not its average revenue curve.
Not the same as either its marginal revenue curve or its average revenue curve

Insurance companies operate under the principle of:
Select correct option:

Law of large numbers. (Correct)
Law of small numbers.
Law of zero numbers.
All of the given options

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Quiz Start Time: 10:25 PM
Time Left 88
sec(s)
Question # 4 of 15 (Start time: 10:28:17 PM) Total Marks: 1
The demand price of a customer for one unit of a good is Rs. 50 and the market price is Rs. 40, consumer surplus will be:
Select correct option:
Rs. 10
Rs.-10
Rs. 90
Rs 1.20
Refrence:
Consumer surplus is the difference between the maximum price a consumer is willing to pay and the actual price they do pay
MC100400618 : Azib Ali

Quiz Start Time: 10:25 PM
Time Left 88
sec(s)
Question # 3 of 15 (Start time: 10:27:47 PM) Total Marks: 1
Which of the following is considered to be a variable cost in the long run?
Select correct option:
Expenditures for wages.
Expenditures for research and development.
Expenditures for raw materials.
All of the given Costs.