	INDIAN SCHOOL NIZWA **ECONOMICS WORKSHEET**
Class : XIB	**UNIT 6 – COST (MCQs)**

I .Multiple Choice Questions. Tick the correct options.

1.Which one of the following is correct?

(a) TC = TFC × TVC (b) TC = TFC ÷ TVC

(c) TC = TFC +TVC (d) TC = TFC – TVC

2. Wages paid to labourers is an example of :

(a) Explicit cost (b) Implicit cost

(c) Opportunity cost (d) None of these

3.When production level is zero , then fixed cost is :

(a) Zero (b) Negative

(c) Positive (d) Equal to variable cost

4.Which of the following indicates fixed cost?

(a) Electricity bill (b) Expenses on raw material

(c) Wages of daily workers (d) Interest on fixed capital

5.When production is Zero , total cost will be :

(a) Zero (b) Equal to variable cost

(c) Equal to fixed cost (d) Equal to marginal cost

6.TVC can be calculated as :

(a) $\frac{AVC}{Q}$ (b) $\sum MC$

(c) TC-TFC (d) Both(b) and (c)

7.Average fixed cost (AFC) is indicated by:

(a) A rectangular hyperbola (b) A straight line parallel to X- axis

(c) A straight line parallel to Y-axis (d) A U- shaped curve

8.When MC curve cuts AC curve:

(a) AC = MC (b) AC < MC

(c) AC > MC (d) Both AC and MC are falling

9.Per unit cost of a good is called:

(a) Fixed cost (b) Variable cost

(c) Average cost (d) None of these

10.Marginal cost of a good includes:

(a) Only variable cost

(b) Only fixed cost

(c) Both (a) and (b)

11.When Average Cost (AC) is falling:

(a) MC > AC (b)MC < AC (c)MC = AC (d)None of these

12.Which of the following is correct?

(a) MC = TFC × TVC (b) TC = TFC $- TVC$

(c) MC =$TC_n - TC_{n-1}$ (d) TC = TFC ÷ Q

13.Total cost is the vertical summation of:

(a) TFC and TVC (b) AFC and AVC

(c) TVC and AVC (d) None of these

14.The average cost is Rs 20 and it is maximum when 4 units are produced. The marginal cost of producing 4 units is:

(a) Rs 20 (b) Rs 80 (c) Rs 24 (d) Rs 5