

12. The demand curve of a perfectly competitive firm is,
- A. Perfectly inelastic.
 - B. Perfectly elastic.
 - C. above average revenue.
 - D. indeterminate.
13. Which one of the following is true about the relationship of marginal revenue (MR) and average revenue (AR) of a pure monopolist?
- A. MR is always above AR.
 - B. AR can be negative but MR is always positive.
 - C. MR can be negative but AR is always positive.
 - D. Both MR and AR are upward sloping curves.
14. Which one of the following features is true about a monopolistically competitive market structure?
- A. There is single seller.
 - B. There is considerable entry and exit barrier.
 - C. There is non-price competition.
 - D. Firms are interdependent.
15. Differentiated products are,
- A. Similar but not identical products.
 - B. Products with no close substitutes.
 - C. Products with enough close substitutes.
 - D. Identical products.
16. A perfectly competitive firm's marginal revenue is always equal to,
- A. average cost
 - B. the market price.
 - C. marginal cost.
 - D. total revenue.
17. Suppose Hiwot is unemployed after leaving her previous job in search of better job. Hence she is,
- A. Frictionally unemployed.
 - B. Structurally unemployed.
 - C. cyclically unemployed.
 - D. out of the labor force.
18. Most of Ethiopian graduates spent their time without a job after graduation, they are
- A. Frictionally unemployed.
 - B. Structurally unemployed.
 - C. cyclically unemployed.
 - D. seasonally unemployed.
19. Most youths of Addis Ababa city became unemployed in search of job only in Addis Ababa instead of taking the available job in the countryside of Ethiopia. Hence, they are,
- A. Frictionally unemployed.
 - B. Structurally unemployed.
 - C. cyclically unemployed.
 - D. out of the labor force.

ANSWER SHEET

Name _____ Section _____ No. _____

I) True/false

II) Multiple choice

III) Matching

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