



# St. Lawrence High School

*A Jesuit Christian Minority Institution*



## Worksheet 17

Class: XII

Sub: Economics

Chapter 04: Theory of production

Topic: Law of Returns to Scale

F.M.: 15

Date: 10/06/2020

### Multiple choice questions

1x15 = 15

1. In production process, the concept of law of returns to scale is related with \_\_\_\_\_.
  - a. Short run,
  - b. Long run,
  - c. Very short run,
  - d. Very long run.
2. The relation between the change in the output level and the change in the scale of the production process is known as \_\_\_\_\_.
  - a. Returns to scale,
  - b. Returns to a factor,
  - c. Returns to proportion,
  - d. Returns to input.
3. When the inputs are changed then \_\_\_\_\_ changes in the production process.
  - a. Output,
  - b. Uses,
  - c. Scale,
  - d. All of above.
4. The law of returns to scale will be applicable only when \_\_\_\_\_ inputs are changed.
  - a. All,
  - b. One,
  - c. Two,
  - d. No.
5. Returns to scale are of \_\_\_\_\_ types.
  - a. Zero,
  - b. Two,
  - c. One,
  - d. Three.
6. The law of returns to scale will not be applicable when \_\_\_\_\_ input changes.
  - a. Fixed,

- b. Variable,
  - c. One,
  - d. None of the above.
7. In production the law related with long run is known as \_\_\_\_\_.
- a. Law of returns to scale,
  - b. Law of diminishing return,
  - c. Law of fixed proportion,
  - d. Law of variable proportion.
8. The law of returns to scale refers to \_\_\_\_\_ in output level..
- a. Increase,
  - b. Diminish,
  - c. Constant,
  - d. Change.
9. If doubling of all inputs results in more than doubling the output level then it is known as \_\_\_\_\_.
- a. Increasing returns,
  - b. Diminishing returns,
  - c. Constant returns,
  - d. Average returns.
10. Change in output level is in the same proportion of change in input level is known as \_\_\_\_\_.
- a. Increasing returns,
  - b. Diminishing returns,
  - c. Constant returns,
  - d. Average returns.
11. If the output level increases at a lower proportion than the increase in inputs then it is known as \_\_\_\_\_.
- a. Increasing returns,
  - b. Diminishing returns,
  - c. Constant returns,
  - d. Average returns.
12. For constant returns to scale output changes in the \_\_\_\_\_proportion as input changes.
- a. More,
  - b. Less,
  - c. Same,
  - d. Zero.
13. For increasing returns to scale output changes in the \_\_\_\_\_proportion as input changes.
- a. Same,

- b. Less than,
  - c. More than,
  - d. Fixed.
14. For decreasing returns to scale output changes in the \_\_\_\_\_proportion as input changes.
- a. Same,
  - b. More than,
  - c. Fixed,
  - d. Less than.
15. The law of returns to scale is applicable only in the \_\_\_\_\_.
- a. Long run,
  - b. Short run,
  - c. Very long run,
  - d. Very short run.

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