



# St. Lawrence High School

*A Jesuit Christian Minority Institution*



## Answerkey 15

**Sub: Economics**

**Class: XII**

**Chapter 04: Theory of production**

**F.M.: 15**

**Topic: Derivation of total product, average product  
and marginal product curve**

**Date: 08/06/2020**

### Multiple choice questions

**1x15 = 15**

1. At first total product increases at an \_\_\_\_\_ rate.

- a. Increasing,
- b. Decreasing,
- c. Constant,
- d. All of above.

Ans: a. Increasing.

2. When total product decreases, marginal product goes to \_\_\_\_\_ .

- a. Positive,
- b. Negative,
- c. One,
- d. Zero.

Ans: b. Negative.

3. For the first unit of labour employment, total product, average product and marginal product are \_\_\_\_\_.

- a. Zero,
- b. Same,
- c. One,
- d. Increasing.

Ans: b. Same.

4. When average product increases, marginal product is \_\_\_\_\_ than average product.

- a. Less,
- b. Greater,
- c. Smaller,
- d. None of these.

Ans: b. Greater.

5. When total amount of output produced by employing all the inputs then it is known as \_\_\_\_\_.

- a. Marginal product,
- b. Average product,
- c. Total product,
- d. Production.

Ans: c. Total product.

6. Per unit of an input is known as \_\_\_\_\_.

- a. Total product,
- b. Average product,
- c. Marginal product,
- d. All of above.

Ans: b. Average product.

7. When average product is maximum then marginal product is \_\_\_\_\_ to average product.

- a. Less,
- b. More,
- c. Equal,
- d. Greater.

Ans: c. Equal.

8. Change in total product due to change in one extra unit of labour employment is known as \_\_\_\_\_.

- a. Change in production,
- b. Change in labour,
- c. Marginal product,
- d. Average product.

Ans: c. Marginal product.

9. When average product decreases then marginal product is \_\_\_\_\_ than average product.

- a. Less,
- b. More,
- c. Equal,
- d. Greater.

Ans: a. Less.

10. When total product is maximum, marginal product is \_\_\_\_\_.

- a. Zero,
- b. Four,

- c. Two,
  - d. Three.
- Ans: a. Zero.

11. The ratio of total product to the total input employed is known as\_\_\_\_\_.

- a. Average product,
- b. Total product,
- c. Marginal product,
- d. Production function

Ans: a. Average product.

12. Marginal product of labour comes by change in one unit of \_\_\_\_\_ employment.

- a. Land,
- b. Labour,
- c. Capital,
- d. Organization.

Ans: b. Labour.

13. By employing all inputs in production process we get \_\_\_\_\_.

- a. Total product.
  - b. Total output,
  - c. Both of a) and b)
  - d. Average product.
- e. Ans: c. Both of a) and b)

14. If we divide total product by labour employment then we get \_\_\_\_\_.

- a. Total output,
- b. Marginal product,
- c. Total production,
- d. Average product.

Ans: d. Average product.

15. When total product increases, average product \_\_\_\_\_ at first.

- a. Zero
- b. Remains same,
- c. Decreases,
- d. Increases.

Ans: d. Increases.

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