



ST. LAWRENCE HIGH SCHOOL



A Jesuit Christian minority Institution

Subject: Economics Class- XI

Date:01/08/2020

Answer key of Worksheet-27

Chapter- Demand , supply , market and price

Topic-Cost of production

1. Choose the correct alternative. $1 \times 15 = 15$
- a) Money cost of production is i) cost of labour needed for production ii) cost of capital needed for production iii) rent of the place where production takes place **iv) all of the above**
 - b) If normal profit is not obtained then producers i) continue their production **ii) stop production** iii) increase production in order to earn profit iv) none of these
 - c) Imputed cost is **i) cost of the factors owned by the producers** ii) cost of factors at a discounted rate iii) cost of labour owned by himself iv) none of these
 - d) Imputed cost i) must not be included in the calculation of cost of production **ii) must be included in the calculation of cost of production** iii) has no relation with cost of production iv) none of these
 - e) In the short run the cost production is divided into i) 3 groups **ii) 2 groups** iii) 4 groups iv) none of these
 - f) Fixed cost i) depends on the level of production **ii) does not depend on the level of production** iii) sometimes depend on the level of production iv) none of these
 - g) The inputs are divided into i) 3 groups **ii) 2 groups** iii) 4 groups iv) none of these
 - h) In the short run the rent of land is i) variable cost **ii) fixed cost** iii) imputed cost iv) none of these
 - i) In the short run Cost of electricity used for production purpose is a i) fixed cost **ii) variable cost** iii) imputed cost iv) none of these
 - j) Rate of interest on the loan taken for production purpose is a i) variable cost ii) imputed cost **iii) Fixed cost** iv) none of these

- k) In long run wages of permanent labours are i) variable cost ii) fixed cost iii) opportunity cost iv) none of these
- l) 'Even the production falls zero, these costs have to be met'-this statement is true for i) variable inputs ii) fixed inputs iii) inputs owned by the owner himself/herself iv) none of these
- m) In short run when there is no production taking place i) variable cost is zero ii) variable cost can never be zero iii) fixed cost is zero iv) none of these
- n) When total output is zero, total cost is zero as well in the i) long run ii) short run iii) both (i) and (ii) iv) none of these
- o) In the short run as production increases i) variable cost decreases ii) fixed cost increases iii) variable cost increases iv) none of these

Aparajita Mondal