



ST. LAWRENCE HIGH SCHOOL

A Jesuit Christian Minority Institution



Answerkey 21

Class: XII

Sub: Economics

Chapter 04: Theory of production

F.M.: 15

**Topic: External Economies of
large scale production**

Date: 15/06/2020

Multiple choice questions

1x15 = 15

1. The second type of economies of scale in large scale production process is _____.

- a. International economies,
- b. Domestic economies,
- c. External economies,
- d. Internal economies.

Ans: c. External economies.

2. Internal and external economies arises from the stand point of a _____.

- a. Industry,
- b. Economy,
- c. Firm,
- d. Country.

Ans: c. Firm.

3. External economies of scale are those economies which are enjoyed by a firm as a result of the growth of the _____.

- a. Industry,
- b. Economy,
- c. Locality,
- d. None of the above.

Ans: a. Industry.

4. In the second stage of large scale production the firm enjoys economies of _____.

- a. Innovation,
- b. Information,
- c. Cost reduction,
- d. Profit maximisation.

Ans: b. Information.

5. The economies of scale associated with the location are known as _____.

- a. Internal economies,
- b. Economies of localisation,
- c. External economies,

d. Political economies.

Ans: b. Economies of localization.

6. Economies of information are associated with _____ of information among themselves.

- a. Purchase and sale,
- b. Innovation,
- c. Advertisement and sale,
- d. Exchange.

Ans: d. Exchange.

7. There are _____ types of economies of scale in the large scale production process.

- a. Five,
- b. Three,
- c. Two,
- d. Four.

Ans: c. Two.

8. By economies of scale we mean _____ of large scale production.

- a. Advantages,
- b. Disadvantages,
- c. Uses,
- d. Non uses.

Ans: a. Advantages.

9. If the size of the production process becomes very large then _____ arises.

- a. Profit reduction,
- b. Cost reduction,
- c. Managerial economies,
- d. Output reduction.

Ans: b. Cost reduction.

10. For large scale production the firm can earn higher _____.

- a. Profit,
- b. Link,
- c. Reputation,
- d. None of the above.

Ans: a. Profit.

11. When large scale production takes place, _____ can be taken place.

- a. Specialisation,
- b. Market,
- c. Risk,
- d. All of above.

Ans: a. Specialisation.

12. For large scale production it is easy to get large amount of _____.

- a. Cost,
- b. Information,
- c. Profit,
- d. Fund.

Ans: b. Information.

13. In external economies it is possible to get _____ advantages when an industry develops in a particular region.

- a. Internal,
- b. Special,
- c. External,
- d. None of the above.

Ans: c. External.

14. In external economies it is possible to divide the process of production into several _____.

- a. Parts,
- b. Groups,
- c. Divisions,
- d. Process.

Ans: c. Divisions.

15. Economies of _____ is one of the feature of external economies.

- a. Production,
- b. Cost,
- c. Profit,
- d. Specialisation.

Ans: d. Specialisation.

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