



# ST. LAWRENCE HIGH SCHOOL

*A Jesuit Christian Minority Institution*



## Worksheet 24

**Sub: Economics**

**Class: XII**

**Chapter 04: Theory of Production**

**F.M.: 15**

**Topic: Revision of entire chapter**

**Date: 18/06/2020**

### Multiple choice questions

**1x15 = 15**

1. The relation between input employed and output produced is known as \_\_\_\_\_ function.
  - a. Technical,
  - b. Cost,
  - c. Demand,
  - d. Production.
2. 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.
3. 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.
4. At first total product increases at an \_\_\_\_\_ rate.
  - a. Increasing,
  - b. Decreasing,
  - c. Constant,
  - d. All of above.
5. When average product increases, marginal product is \_\_\_\_\_ than average product.
  - a. Less,
  - b. Greater,
  - c. Smaller,
  - d. None of these.
6. When total product is maximum, marginal product is \_\_\_\_\_.
  - a. Zero,
  - b. Four,
  - c. Two,

- d. Three.
7. The law relating to the effects of varying the inputs used by the firm is known as \_\_\_\_\_.
- a. Law of constant return,
  - b. Law of variable proportion,
  - c. Law of diminishing marginal utility,
  - d. Law of diminishing marginal rate of substitution.
8. 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.
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. The economic region is applicable only in the \_\_\_\_\_.
- a. First stage,
  - b. Third stage,
  - c. Second stage,
  - d. Initial stage.
13. If the firm enjoys some advantages within itself then it is known as \_\_\_\_\_.
- a. International economies,
  - b. Domestic economies,
  - c. External economies,

- d. Internal economies.
14. 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.
15. When the cost of production begins to increase in large scale production then it is known as \_\_\_\_\_.
- a. Internal economies,
  - b. Diseconomies of scale,
  - c. External economies,
  - d. Economies of scale.

Debaleena Ganguly.  
18.06.2020