



# ST. LAWRENCE HIGH SCHOOL

*A Jesuit Christian Minority Institution*



## Worksheet 52

**Sub: Economics**

**Class: XII**

**Chapter 13: Pricing in Factor Market**

**F.M.: 15**

**Topic: Theory of Rent and Marginal Productivity**

**Date: 20/11/2020**

### Multiple choice questions

**1x15 = 15.**

1. Marginal productivity theory of factor pricing was developed by \_\_\_\_\_.
  - a. J.B.Clark,
  - b. Kalecki,
  - c. Samuelson,
  - d. Keynes.
2. In Marginal productivity theory, it is assumed that there exists \_\_\_\_\_ in the commodity market.
  - a. Monopoly,
  - b. Perfect competition,
  - c. Oligopoly,
  - d. Duopoly.
3. In Marginal productivity theory, it is assumed that all units of the factors of production are \_\_\_\_\_.
  - a. Different,
  - b. Heterogeneous,
  - c. Homogeneous,
  - d. Zero.
4. In Marginal productivity theory, it is assumed that there is \_\_\_\_\_ among different factors of production.
  - a. Compatibility,
  - b. Complementarity,
  - c. Equality,
  - d. Substitutability.
5. In Marginal productivity theory, it is assumed that marginal productivity of each factor of production is \_\_\_\_\_.
  - a. Diminishing,
  - b. Increasing,
  - c. Zero,
  - d. Negative.
6. Objective of the firm is to maximize \_\_\_\_\_.
  - a. Reputation,

- b. Profit,
  - c. Production,
  - d. Cost.
7. Marginal physical product is expressed in terms of \_\_\_\_\_ units.
- a. Money,
  - b. Sales,
  - c. Physical,
  - d. Profit.
8. Value of marginal physical product is expressed in terms of \_\_\_\_\_.
- a. Sales,
  - b. Production,
  - c. Cost,
  - d. Money.
9. Supply of land is completely\_\_\_\_\_.
- a. Inelastic,
  - b. Elastic,
  - c. Infinite,
  - d. Unit elastic.
10. Rent can arise due to \_\_\_\_\_of land.
- a. Availability,
  - b. Scarcity,
  - c. Production,
  - d. Cost.
11. \_\_\_\_\_rent arise due to differences in the qualities of land.
- a. Scarcity,
  - b. Quasi,
  - c. Differential,
  - d. No.
12. The difference between total earning and transfer earning of any factor of production is known as \_\_\_\_\_rent.
- a. Scarcity,
  - b. Differential,
  - c. Quasi,
  - d. Economic.
13. \_\_\_\_\_ earning is the earning which the factor can earn in the best alternative use.
- a. Transfer,
  - b. Revenue,
  - c. Money,
  - d. Rent.

14. In the Ricardian theory it is assumed that land has \_\_\_\_\_ alternative use.

- a. Infinite,
- b. No,
- c. One,
- d. Two.

15. In the Ricardian theory, rent is \_\_\_\_\_ determined.

- a. Demand,
- b. Supply,
- c. Price,
- d. Revenue.

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