



ST. LAWRENCE HIGH SCHOOL



A Jesuit Christian minority Institution

Subject: Economics Class- XI

Date:01/08/2020

Worksheet-27

Chapter- Demand , supply , market and price

Topic-Cost of production

1. Choose the correct alternative. 1x15=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

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