

A Jesuit Christian Minority Institution



## Worksheet 29

## Sub: Economics Class: XII Chapter 05:Theory of CostF.M.: 15 Topic:Concept of Long run cost

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## **Multiple choice questions**

- 1. At long run all costs are \_\_\_\_\_.
  - a. Variable,
  - b. Fixed,
  - c. Zero,
  - d. Equal.
- 2. Long run is the sum total of all \_\_\_\_\_ costs.
  - a. Types,
  - b. Imputed,
  - c. Opportunity,
  - d. Short run.
- 3. LAC curve will be \_\_\_\_\_.
  - a. Downward sloping,
  - b. Horizontal,
  - c. Flatter U shaped,
  - d. Upward rising.
- 4. In the short run MC will be\_\_\_\_\_.
  - a. U shaped,
  - b. Upward rising,
  - c. Downward sloping,
  - d. Concave.
- 5. The long run LMC curve will be \_\_\_\_\_.
  - a. Downward sloping,
  - b. Upward rising,
  - c. U shaped,
  - d. S shaped.
- 6. The curve which is obtained from the envelope of the short run curves is \_\_\_\_\_.
  - a. LAC,
  - b. LMC,
  - c. AC,
  - d. AVC.

1x15 = 15

- 7. Which curve is a rectangular hyperbola in shape?
  - a. AVC,
  - b. AFC,
  - c. AC,
  - d. MC.
- 8. At the minimum point of LAC curve \_\_\_\_\_level of production is possible.
  - a. Optimum,
  - b. Minimum,
  - c. Maximum,
  - d. Zero.
- 9. Long run cost curve is known as \_\_\_\_\_curve.
  - a. Focused,
  - b. Digital,
  - c. Envelope,
  - d. Smooth.
- 10. Long run AC and MC curves are \_\_\_\_\_than short run AC and MC curves.
  - a. Steeper,
  - b. Flatter,
  - c. Less,
  - d. More.
- 11. As output level increases the LAC \_\_\_\_\_at first..
  - a. Increases,
  - b. Decreases,
  - c. Remain constant,
  - d. U shaped.
- 12. When LAC is minimum then \_\_\_\_\_\_.
  - a. LAC=LMC,
  - b. LAC>LMC,
  - c. LAC<LMC,
  - d. LAC=AC.
- 13. Long run costs cannot be \_\_\_\_\_\_than short run costs for any output level.
  - a. Less,
  - b. Lower,
  - c. Higher,
  - d. None of these.

14. Optimum level of production occurs at the minimum point of \_\_\_\_\_\_curve.

- a. AC,
- b. LAC,
- c. AFC,
- d. MC.

## 15. There is only \_\_\_\_\_SAC curve through whose minimum point the LAC curve passes.

- a. Many,
- b. Two,
- c. One,
- d. None of these.

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