



St. Lawrence High School

A Jesuit Christian Minority Institution



Answerkey 20

Class: XII

Sub: Economics

Chapter 04: Theory of production

F.M.: 15

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

Date: 13/06/2020

Multiple choice questions

1x15 = 15

1. 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.

Ans: d. Internal economies.

2. The first type of economies of scale in large scale production process is _____.
 - a. International economies,
 - b. Domestic economies,
 - c. External economies,
 - d. Internal economies.

Ans: d. Internal economies.

3. In the first stage of large scale production the firm enjoys _____ within the firm.
 - a. Fixed cost,
 - b. Cost reduction,
 - c. Variable cost,
 - d. Profit.

Ans: b. Cost reduction.

4. The economies of scale associated with the use of machine technology are known as _____.
 - a. Mechanical economies,
 - b. Internal economies,
 - c. External economies,
 - d. Technical economies.

Ans: d. Technical economies.

5. Marketing economies are associated with _____ of final products.

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

Ans: a. Purchase and sale.

6. There are _____ types of economies of scale in the large scale production process.
- a. Five,
 - b. Three,
 - c. Two,
 - d. Four.

Ans: c. Two.

7. By economies of scale we mean _____ of large scale production.
- a. Advantages,
 - b. Disadvantages,
 - c. Uses,
 - d. Non uses.

Ans: a. Advantages.

8. 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: c. Managerial economies.

9. For large scale production the firm can earn higher _____.
- a. Profit,
 - b. Link,
 - c. Reputation,
 - d. None of the above.

Ans: a. Profit.

10. When large scale production takes place, _____ can be spread.
- a. Cost,
 - b. Market,
 - c. Risk,
 - d. All of above.

Ans: c. Risk.

11. For large scale production it is easy to get large amount of _____ through borrowing.

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

Ans: d. Fund.

12. In internal economies it is possible to _____ new products.

- a. Innovate,
- b. Sale,
- c. Purchase,
- d. None of the above.

Ans: a. Innovate.

13. In internal economies it is possible to divide the process of management into several _____.

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

Ans: c. Divisions.

14. In internal economies it is possible to provide _____ benefit for the employees.

- a. Cost,
- b. Profit,
- c. Social security,
- d. Revenue.

Ans: c. Social security.

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

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

Ans: d. Welfare.

Debaleena Ganguly
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