



# St. Lawrence High School

*A Jesuit Christian Minority Institution*



## Worksheet 18

**Sub: Economics**

**Class: XII**

**Chapter 04: Theory of production**

**F.M.: 15**

**Topic: Three stages of production**

**Date: 11/06/2020**

### Multiple choice questions

**1x15 = 15**

1. In production process, the concept of three stages was introduced by\_\_\_\_\_.
  - a. Marshall,
  - b. Keynes,
  - c. Cassels,
  - d. Kalecki.
2. There are \_\_\_\_\_stages in the production process..
  - a. Five,
  - b. Three,
  - c. Two,
  - d. Four..
3. When the AP reaches its maximum then \_\_\_\_\_stage ends in the production process..
  - a. First,
  - b. Second,
  - c. Third,
  - d. All of above.
4. In the first stage of the production process MP is \_\_\_\_\_than AP..
  - a. Less,
  - b. Equal,
  - c. Half,
  - d. More.
5. Second stage ends where MP is \_\_\_\_\_.
  - a. Zero,
  - b. Positive,
  - c. One,
  - d. Negative.
6. The second stage will not be applicable when \_\_\_\_\_increases..
  - a. TP,
  - b. MP,
  - c. AP,

- d. MR.
- 7. In production the first stage is known as \_\_\_\_\_.
  - a. Stage of increasing return,
  - b. Stage of diminishing return,
  - c. Stage of fixed return,
  - d. Stage of negative return.
- 8. The stage of diminishing returns refers to \_\_\_\_\_ in average product.
  - a. Increase,
  - b. Decrease,
  - c. Constant,
  - d. Change.
- 9. If the total product curve is downward sloping then it is known as \_\_\_\_\_ stage.
  - a. Increasing returns,
  - b. Diminishing returns,
  - c. Constant returns,
  - d. Negative returns.
- 10. When AP and MP both are diminishing then this stage is known as \_\_\_\_\_.
  - a. Increasing returns,
  - b. Diminishing returns,
  - c. Constant returns,
  - d. Negative returns.
- 11. If MP is negative in the production process then it is known as \_\_\_\_\_.
  - a. Increasing returns,
  - b. Diminishing returns,
  - c. Negative returns,
  - d. Average returns.
- 12. For constant returns to scale output changes in the \_\_\_\_\_ proportion as input changes.
  - a. More,
  - b. Less,
  - c. Same,
  - d. Zero.
- 13. For increasing returns MP changes in the \_\_\_\_\_ proportion as AP increases.
  - a. Same,
  - b. Less than,
  - c. More than,
  - d. Fixed.
- 14. Uneconomic region refers to \_\_\_\_\_ and \_\_\_\_\_ stage.
  - a. Third and fourth,
  - b. First and third,

- c. Second and third,
  - d. First and second.
15. The economic region is applicable only in the \_\_\_\_\_.
- a. First stage,
  - b. Third stage,
  - c. Second stage,
  - d. Initial stage.

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11.06.2020