

SHETH NKTT COLLEGE OF COMMERCE AND SHETH JTT COLLEGE OF ARTS, THANE

DEPARTMENT OF ECONOMICS

MCQS FOR FYBCOM SEMESTER-I (2020-21)

SUBJECT/PAPER : MICROECONOMICS-II

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(NOTE : The questions given here are likely questions, there may be few changes in them)

Module-I - Production Analysis

MCQs

1. Short-run production function shows the functional relation betweenfor a short period.
 - a. Cost and revenue
 - b. Materials and matters
 - c. Inputs and output
 - d. Functions and equations
2. In theall factors or inputs become variable and no input is fixed.
 - a. Short run
 - b. long-run
 - c. law of variable proportions
 - d. law of diminishing marginal returns
3. The law of variable proportions is also called as.....
 - a. Law of diminishing marginal returns
 - b. Law of increasing marginal returns
 - c. Law of returns
 - d. Law of proportionate returns
4. The law of variable proportions depends on the assumption
 - a. Heterogeneity of factor
 - b. Homogeneity of factor
 - c. Changing technology
 - d. Varied types of goods
5. In phase of the laws of returns to scale, TP rises at an increasing rate, also MP and AP are rising.
 - a. Increasing
 - b. Decreasing
 - c. Constant
 - d. Returning
6. Inphase of the laws of returns to scale, TP rises as decreasing rate because MP starts diminishing, but AP rises.
 - a. Increasing returns
 - b. Decreasing returns
 - c. Constant returns

- d. Returning
- 7. In this phase of the laws of returns to scale, TP and MP are falling. MP is negative
 - a. Increasing returns
 - b. Decreasing returns
 - c. Constant returns
 - d. Negative returns
- 8. Iso-quant measures the
 - a. Marginal Rate of Technical Substitution between labour and capital
 - b. Marginal Rate of Substitution between two goods
 - c. Marginal utility of money
 - d. Marginal Efficiency of capital
- 9. Iso-quant is always Sloping
 - a. Downward
 - b. Upward
 - c. Concave
 - d. Positive
- 10. Two iso-quants intersect each other
 - a. Can
 - b. Always
 - c. Do not
 - d. May
- 11. Iso-quants are to each other.
 - a. Opposite
 - b. Not parallel
 - c. Parallel
 - d. Tangent
- 12. Iso-quant is oval shaped, so the slope of Iso-quant is at its extreme points.
 - a. Positive
 - b. Negative
 - c. Constant
 - d. Diminishing
- 13. Marginal rate of Technical Substitution is theof an IQ
 - a. Slope
 - b. Function
 - c. Curve
 - d. Price
- 14.are the lines derived by joining the points on the isoquants where marginal product of factors is zero.
 - a. Iso cost lines
 - b. Price lines
 - c. Ridge line
 - d. Bridge line

15.is defined as the locus or joining of the points of tangency between the isoquants and the iso cost lines.
- Expansion path
 - Ridge line
 - Iso cost line
 - Price line
16. Economies of scale are the cost.....
- Disadvantages
 - Structure
 - Analysis
 - Advantages
17.are the cost advantages enjoyed by the firm which expands its production.
- Internal economies
 - External economies
 - Internal differences
 - Monopoly and power
18.is called the optimal combination of factor inputs or producer's equilibrium
- Least-cost Factor Combination
 - List of cost and factors
 - Linear cost function
 - Law of variable proportions
19.IQ assumes zero substitutability of factors of production.
- Left sided
 - Right angled
 - Downward
 - Concave
20. isoquant assumes limited substitutability of capital and labor.
- Kinked isoquant
 - Right angled
 - Downward
 - Convex
21. Economies of scope refers to the lowering of the cost of production of afirm.
- Single product
 - multi-product
 - microscopic
 - macro
22. Technical economies are the examples of economies of scale.
- Production
 - Managerial
 - By-product
 - Inventory
23. Development of transportation and marketing facilities are economies.
- External

- b. Internal
 - c. Micro
 - d. Firm's
24. According to IQ analysis, the firm maximizes its profit, when the.....is equal to the price ratio of labor and capital.
- a. MRTS of labour and capital
 - b. MRS of land and labour
 - c. MRTS of all costs
 - d. MRS of two goods
25.shows all the possible combinations of labor and capital that can produce different levels of production
- a. Demand schedule
 - b. Supply schedule
 - c. Iso-quant map
 - d. Ridge line