

QB365 Question Bank Software Study Materials

Production Analysis 50 Important 1 Marks Questions With Answers (Book Back and Creative)

11th Standard

Economics

Total Marks : 50

Multiple Choice Question

50 x 1 = 50

- 1) The primary factors of production are:
(a) Labour and Organisation (b) Labour and Capital (c) Land and Capital **(d) Land and Labour**
- 2) The man-made physical goods used to produce other goods and services are referred to as
(a) Land (b) Labour **(c) Capital** (d) Organization
- 3) Formula for calculating AP is
(a) $\frac{\Delta TP}{N}$ (b) $\frac{\Delta TP}{\Delta N}$ (c) $\frac{TP}{MP}$ **(d) $\frac{TP}{N}$**
- 4) Which factor is called the changing agent of the Society
(a) Labourer (b) Land **(c) Organizer** (d) Capital
- 5) Who said, that one of the key of an entrepreneur is "uncertainty-bearing".
(a) J.B. Clark (b) Schumpeter **(c) Knight** (d) Adam Smith
- 6) The functional relationship between "inputs" and "outputs" is called as
(a) Consumption Function **(b) Production Function** (c) Savings Function (d) Investment Function
- 7) In a firm 5 units of factors produce 24 units of the product. When the number of factor increases by one, the production increases to 30 units. Calculate the Average Product.
(a) 30 (b) 6 **(c) 5** (d) 24
- 8) The short-run production is studied through
(a) The Law of Returns to scale **(b) The Law of Variable Proportions** (c) Iso - quants (d) Law of Demand
- 9) The long-run production function is explained by
(a) Law of Demand (b) Law of Supply **(c) Returns to Scale** (d) Law of Variable Proportions
- 10) An Iso - quant curve is also known as
(a) Inelastic Supply Curve (b) Inelastic Demand Curve (c) Equi-Marginal Utility **(d) Equal Product Curve**
- 11) Mention the economies reaped from inside the firm
(a) financial (b) technical (c) managerial **(d) all of the above**
- 12) Cobb - Douglas production function assumes
(a) Increasing returns to scale (b) Diminishing returns to scale **(c) Constant returns to scale** (d) All of the above
- 13) Name the returns to scale when the output increases by more than 5%, for a 5% increase in the inputs,
(a) Increasing returns to scale (b) Decreasing returns to scale (c) Constant returns to scale (d) All of the above
- 14) Which of the following is not a characteristic of land?
(a) Its limited supply **(b) Its is mobile** (c) Heterogeneous (d) Gift of Nature

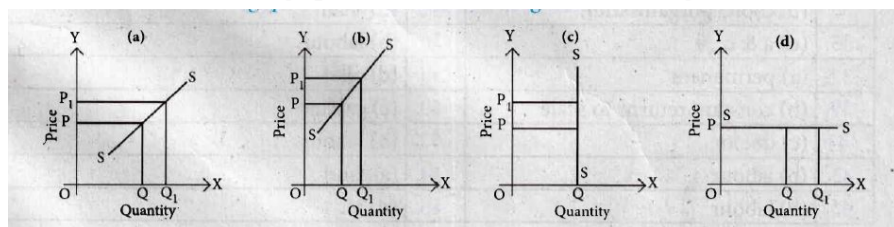
- 15) Product obtained from additional factors of production is termed as
(a) Marginal product (b) Total product (c) Average product (d) Annual product
- 16) Modern economists have propounded the law of
(a) Increasing returns (b) Decreasing returns (c) Constant returns (d) Variable proportions
- 17) Producer's equilibrium is achieved at the point where:
 (a) Marginal rate of technical substitution (MRTS) is greater than the price ratio (b) MRTS is lesser than the price ratio
(c) MRTS and price ratio are equal to each other (d) The slopes of isoquant and isocost lines are different
- 18) The relationship between the price of a commodity and the supply of commodity is
 (a) Negative **(b) Positive** (c) Zero (d) Increase
- 19) If average product is decreasing, then marginal product
 (a) must be greater than average product **(b) must be less than average product** (c) must be increasing
 (d) both a and c
- 20) A production function measures the relation between
 (a) input prices and output prices (b) input prices and the quantity of output
(c) the quantity of inputs and the quantity of output (d) the quantity of inputs and input prices
- 21) _____ is facilitated by transport and communication systems.
 (a) Time utilities **(b) Place utilities** (c) Form utilities (d) Possession utilities
- 22) Division of labour means _____
(a) Dividing the process of production (b) Dividing labours into age groups (c) Dividing wages to the labour
 (d) None of these
- 23) What is 'Production' in economics?
(a) Creation / addition to the value of output (b) Production of food grains. (c) Creation of services
 (d) Manufacturing of goods
- 24) Production is the result of co-operation of _____ factors of production.
 (a) One (b) Two (c) Three **(d) Four**
- 25) The saved amount is called as _____
 (a) Income (b) Cost (c) Expenditure **(d) Capital**
- 26) _____ is a special form of labour.
 (a) Capital (b) Land **(c) Organisation** (d) None of these
- 27) _____ is the active factor of production.
(a) Labour (b) Land (c) Capital (d) None of these
- 28) The man behind organizing the business called as _____
 (a) Organizer (b) Entrepreneur **(c) Both (a) and (b)** (d) None of these
- 29) Factors governing elasticity supply are _____
 (a) Nature of the commodity (b) Cost of Production (c) Time Factor **(d) All the above**
- 30) Land and labour are _____

- (a) **Primary factor** (b) Secondary factor (c) Both (d) None of the above
- 31) Who is the changing agent of the society
- (a) **Entrepreneur** (b) Labour (c) Producer (d) Unstomer
- 32) Who are interested in enlarging the scale of production of their commodities.
- (a) **Entrepreneur** (b) Producer (c) Consumer (d) Distributor
- 33) Entrepreneur stand to benefit from the resulting _____ .
- (a) Diseconomies of scale (b) **Economies of scale** (c) Output (d) Price
- 34) _____ is the original source of all material wealth.
- (a) Labour (b) Capital (c) **Land** (d) Organization
- 35) Land has _____ uses.
- (a) Direct (b) Indirect (c) **Alternative** (d) None
- 36) A direct relation between price of a good and supply of that good
- (a) **Law of supply** (b) Elasticity of supply (c) Cost of production (d) All the above
- 37) Factors of production are_____.
- (a) natural resources (b) man made resources (c) **both (a) and (c)** (d) neither (a) nor (b)
- 38) Without use of_____ factor no goods can be produced.
- (a) **primary** (b) secondary (c) derived (d) additional
- 39) _____refers to all those natural resources or gifts in nature which are provided free to man.
- (a) **Land** (b) Labour (c) Capital (d) Organisation
- 40) Who said, "Labour is essentially a numeraire"?
- (a) **Ricardo** (b) Hicks (c) Karl Marx (d) Marshall
- 41) Who told, "Labour is a value and it is the basis for surplus value"?
- (a) Ricardo (b) Hicks (c) **Karl Marx** (d) Marshall
- 42) Identify the active factor:
- (a) Land (b) **labour** (c) Capital (d) a & c
- 43) $TP = ?$
- (a) $Ap \times n$ (b) $\sum MP$ (c) **both a & b** (d) $\frac{AP}{N}$
- 44) Who divided economies into internal and external?
- (a) **Marshall** (b) Ferguson (c) Adam smith (d) Keynes
- 45) Iso and quant are derived from the_____language meaning equal & quantity.
- (a) French (b) **Greek** (c) Italian (d) English
- 46) Who developed production function?
- (a) Hicks and Allen (b) Hicks and Dalton (c) **Cobb and Douglas** (d) none
- 47) What is Cobb Douglas production function?
- (a) $Q = ALK$ (b) $Q = AL^a K^\beta$ (c) $Q = AL^a K^c$ (d) none

48) What is still used in the analysis of economies of modern developed nations?

- (a) Returns to scale (b) Law of variable proportion (c) **Cobb Douglas production** (d) none

49) Answer the following questions based on the diagram



Perfectly inelastic supply

- (a) a (b) b (c) **c** (d) d

50) Diseconomies refer to

- (a) advantages (b) **disadvantages** (c) both (d) none