1.Economies of scope refer to:

Ans: Changes in Technology

2.Revenue is equal to:

Ans: Price Times Quantity

3.The long-run supply curve of an increasing cost industry is:

Ans: Upward Sloping

4.When the joint output of a single firm is greater than the output that could be achieved by two different firms each producing a single output is called:

Ans: Economies of Scope

5.Which of the Following is correct:

Ans: Accounting Profit=Revenue(R)-Labor Cost(WL)

6.A firm never operates:

Ans: On the Downward – Sloping Portion of its AVC curve

7.In a constant -cost industry, price always equal :

Ans: LRMC and minimum LRAC

8.The producer surplus for a market can be measured as:

Ans: Area between the equilibrium price line and the supply curve to the left of equilibrium output

9.Agricultural products are produced in perfectly competitive market because:

Ans: Firm are price taker, There are large producers/firms of agriculture products, All Firms are producing perfect substitute

10.Suppose output of two automobile firms, one is producing is cars other is producing trucks, is greater than the output of automobile firm producing both car and jointly , we can conclude that the production process involves:

Ans: Diseconomies of Scope