Assignment- 09

The due date for submitting this assignment has passed. As per our records you have not submitted this assignment.

Due on 2019-04-03, 23:59 IST.

1) If a production function exhibits diminishing marginal product, the slope of the corresponding total-cost curve

- is linear (a straight line)
- is negative throughout its length
- becomes steeper as the quantity of output increases
- becomes flatter as the quantity of output increases

No, the answer is incorrect.
Score: 0
Accepted Answers: becomes steeper as the quantity of output increases

2) When marginal costs are below average total costs

- average fixed costs are rising
- average total costs are rising
- average total costs are falling
- average total costs are minimized

No, the answer is incorrect.
Score: 0
Accepted Answers: average total costs are falling

3) When isocquants get progressively closer together there is

- increasing returns to scale
- decreasing returns to scale
- constant returns to scale

No, the answer is incorrect.
Score: 0
Accepted Answers: increasing returns to scale
Comprehension 1. The production function for televisions is given by $Q=100KL$, where $Q$ is no of television units produced and $K$ and $L$ are no. capital and labour units employed respectively. Price of capital is INR 160 per day and that of labour is INR 40 per day. Answer the following questions.

6) How many units of capital are employed to produce 1000 television units at the optimal level?

- $\sqrt{2.5}$
- $2\sqrt{2.5}$
- $3\sqrt{2.5}$
- $4\sqrt{2.5}$

No, the answer is incorrect.
Score: 0
Accepted Answers:
$\sqrt{2.5}$

7) How many units of labour are employed to produce 1000 television units at the optimal level?

- $\sqrt{2.5}$
- $2\sqrt{2.5}$
- $3\sqrt{2.5}$
8) What is the total cost at the optimum point

- 200√2.5
- 320√2.5
- 280√2.5
- 250√2.5

No, the answer is incorrect.
Score: 0
Accepted Answers: 4√2.5

9) What is the cost for labor (L*) at the optimum point

- \( \frac{80}{3^{1/3}} \)
- \( 80 \times 3^{2/3} \)
- \( 80 \times 3^{1/3} \)
- \( \frac{80}{3^{2/3}} \)

No, the answer is incorrect.
Score: 0
Accepted Answers: \( 80 \times 3^{1/3} \)

10) What is the cost for capital (K*) at the optimum point

- \( \frac{80}{3^{2/3}} \)
- \( 80 \times 3^{2/3} \)
- \( 80 \times 3^{1/3} \)
- \( \frac{80}{3^{1/3}} \)
Comprehension 3. The short run cost function of a company is given by the equation \( TC=200+25q+q^2 \), where \( TC \) is total cost and \( q \) is no of units produced. Answer the following five questions.

11) What will be the fixed cost (FC) if company produces 200 units
   - Options: 200, 100, 5200, 45200
   - No, the answer is incorrect. Score: 0
   - Accepted Answers: 200

12) What will be the average fixed cost (AFC) if company produces 200 units
   - Options: 200, 100, 1, 2
   - No, the answer is incorrect. Score: 0
   - Accepted Answers: 1

13) What is marginal cost (MC) of company at \( q=30 \)
   - Options: 100, 50, 80, 85
   - No, the answer is incorrect. Score: 0
   - Accepted Answers: 85

14) What is variable cost (VC) of company at \( q=30 \)
   - Options: 1450, 1650, 1850, 1750
   - No, the answer is incorrect.
15) What is average variable cost (AVC) at q=30

- 100
- 55
- 80
- 75

No, the answer is incorrect.
Score: 0
Accepted Answers:
55