Week 3 Assessment

The deadline for submitting this assignment has passed. As per our record, you have not submitted this assignment.

1. Given event point is when
   - Loss is maximum
   - Profit is maximum
   - Normal profit
   - Total loss starts falling down
   
   **No, the answer is incorrect.**
   
   **Accepted Answers:**
   Normal profit

2. When the large-scale average cost curve starts to rise we refer to
   - average cost of scale having set in
   - diseconomies of scale having set in
   - diminishing marginal returns to scale
   - none of the above
   
   **No, the answer is incorrect.**
   
   **Accepted Answers:**
   Diminishing returns to scale

3. The marginal cost (MC) curve intersects the
   - AVC and AFC curves at their minimum points
   - AFC and AVC curves at their maximum points
   - AVC curve at their maximum points
   - AFC curve at their minimum points
   
   **No, the answer is incorrect.**
   
   **Accepted Answers:**
   AVC and AFC curves at their minimum points

4. Example of marginal cost is
   - Rate in operating cost for treating one more room
   - Additional treatment cost for treating one extra patient
   - Higher out of pocket expenses in private hospitals
   - All of the above
   
   **Yes, the answer is correct.**
   
   **Accepted Answers:**
   All of the above

5. When the average cost path curves downwards towards the kink then Y is an inferior good and it would be a normal good
   - True
   - False
   
   **No, the answer is incorrect.**
   
   **Accepted Answers:**
   True

6. We will use multivariate discrete choice modeling if the dependent variable is
   - Insurance premium
   - G section delivery or not
   - Underweight, normal or overweight
   - Weight up term
   
   **No, the answer is incorrect.**
   
   **Accepted Answers:**
   Underweight, normal or overweight

7. Which one of the following is increasing?
   - AFC is the vertical difference between AVC and TAC
   - Total cost is summation of fixed and variable cost
   - Long run average cost is also known as envelope cost
   - The firm's short-run marginal cost curve is increasing when average fixed cost is also increasing
   
   **No, the answer is incorrect.**
   
   **Accepted Answers:**
   The firm's short-run marginal cost curve is increasing when average fixed cost is also increasing

8. XYZ pharmaceutical company wants to make an annual profit of Rs. 18,000 from the sale of one particular medicine. Details of manufacturing and sales is as follows. What should be the price per unit if demand is as per below?
   - Sales (number) = 100
   - Fixed cost = Rs. 6,000
   - Variable cost per unit = Rs. 30
   
   **No, the answer is incorrect.**
   
   **Accepted Answers:**
   40

9. The firm's short-run marginal cost curve is increasing when
   - Marginal product is increasing
   - Total fixed cost is increasing
   - Marginal product is decreasing
   - Average fixed cost is decreasing
   
   **No, the answer is incorrect.**
   
   **Accepted Answers:**
   Marginal product is increasing

10. In Dr. Sreedhar's model, an increase in education causes better health because
    - People endowed with higher levels of education are more efficient producers of health
    - A more knowledgeable person will choose a higher output of health than the less well informed person
    - Mental health becomes people to select lower-costing jobs when the MRT schedule is less
    - Both A and B
    
    **No, the answer is incorrect.**
    
    **Accepted Answers:**
    Both A and B