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Quiz 5.1: Week 5 Quiz

Due Oct 17 at 11:59pm


Points 20

Questions 20

Available Oct 4 at 12am - Oct 17 at 11:59pm

Time Limit 30 Minutes

Instructions

 Module Outcomes.png Learning Outcome Addressed

- Develop critical thinking and analytical skills in estimating the cost-revenue relationship and how it affects the producer
- Analyze the supply and production function under long run and short run

It is now time to assess your understanding of the concepts covered so far in this module.

Quiz Instructions

- The time limit for this quiz is 30 mins. Kindly complete and submit this quiz within this time.
- You have only one attempt to answer the quiz.
- All quiz attempts must be attempted by **Friday, October 17, 2025, by 11:59PM IST.**
- The correct answers will be displayed after quiz submissions deadline.

Note: This is a graded quiz and counts towards programme completion.

This quiz was locked Oct 17 at 11:59pm.

Attempt History

	Attempt	Time	Score
LATEST	Attempt 1	17 minutes	15 out of 20

Score for this quiz: 15 out of 20
Submitted Oct 12 at 3:21pm
This attempt took 17 minutes.

Correct!

Question 1

1 / 1 pts

If a firm experiences increasing returns to scale, it means that:

☐ Marginal cost remains constant at all levels of production

☐ Average total cost increases with higher production

☐ Marginal product remains constant

☒ Average total cost decreases as production increases

That's correct!

Question 2

1 / 1 pts

Economies of scale are often associated with:

☐ Constant returns to scale

☐ Variable costs only

Correct!

Small-scale production

Large-scale production

That's correct!

Question 3 0 / 1 pts

On an isoquant map, a ridge line represents:

You Answered

Diminishing marginal product

Correct Answer

Constant returns to scale

Increasing returns to scale

Decreasing returns to scale

That's incorrect! Revisit the videos for this week.

Question 4 1 / 1 pts

Economies of specialization occur when:

Correct!

The firm experiences constant returns to scale

The firm focuses on producing a limited range of products to achieve cost savings

The firm operates at its minimum efficient scale

The firm produces a variety of products to meet diverse market demands

That's correct!

Question 5 1 / 1 pts

What does total product represent in the context of production?

Correct!

The additional output produced by one more unit of a variable input

The total cost of production

The total revenue generated by a firm

The total output produced by all units of a variable input

That's correct!

Question 6

0 / 1 pts

In economies of scale, the reduction in average cost is primarily due to:

- ☐ Decreasing variable costs
- ☐ Spread of fixed costs over more units of output
- ☐ Increasing marginal costs
- ☒ Diminishing marginal returns

Correct Answer**You Answered**

That's incorrect! Revisit the videos for this week.

Question 7

1 / 1 pts

The slope of an isoquant at a given point represents:

- ☐ The elasticity of substitution
- ☒ The marginal rate of technical substitution
- ☐ The average product of inputs
- ☐ The marginal cost of production

Correct!

That's correct!

Question 8

1 / 1 pts

What is a ridge line in the context of isoquants?

- ☐ A line representing maximum output
- ☒ A line indicating substitution possibilities between inputs
- ☐ A line showing constant returns to scale
- ☐ A line connecting points of equal output

Correct!**Question 9**

1 / 1 pts

Economies of scale are often a result of:

- ☐ Limited market demand
- ☐ Decreased efficiency in production processes
- ☒ Increased production efficiency and cost savings
- ☐ Increased competition in the market

Correct!

That's correct!

Question 10

1 / 1 pts

If a firm experiences diminishing marginal returns, what is happening to the marginal product?

Correct!

- ☒ It is decreasing as more units of a variable input are added
- ☐ It is unrelated to the level of production
- ☐ It is increasing as production increases
- ☐ It is constant at all levels of production

That's correct!

Question 11

0 / 1 pts

Marginal product is defined as:

You Answered

- ☐ The total product divided by the number of units of variable input
- ☒ The change in total product divided by the change in variable input
- ☐ The change in total cost divided by the change in output
- ☐ The additional output produced by one more unit of a variable input

Correct Answer

That's incorrect! Revisit the videos for this week.

Question 12

0 / 1 pts

Which factor is NOT typically associated with economies of scale?

You Answered

- ☒ Bulk purchasing discounts
- ☐ Specialization of labor
- ☐ Increased communication costs
- ☐ Efficient use of machinery

Correct Answer

That's incorrect! Revisit the videos for this week.

Question 13

1 / 1 pts

What is the key advantage for a firm experiencing economies of scale?

Correct!

- ☒ Greater competitiveness and potential for higher profits
- ☐ Higher average total cost
- ☐ Increased risk of bankruptcy
- ☐ Decreased production efficiency

That's correct!

Question 14

1 / 1 pts

What are economies of scale?

- ☐ Situations where the cost per unit remains constant regardless of production levels
- ☒ Situations where the cost per unit decreases as production increases
- ☐ Situations where the cost per unit increases as production increases
- ☐ Situations where fixed costs dominate total costs

Correct!

That's correct!

Question 15

0 / 1 pts

If two isoquants do not intersect, it implies that:

- ☐ The production process is not feasible
- ☒ The firm is experiencing constant returns to scale
- ☐ The firm is maximizing profit
- ☐ The inputs are perfect substitutes

Correct Answer**You Answered**

That's incorrect! Revisit the videos for this week.

Question 16

1 / 1 pts

Which of the following is a characteristic of economies of scale?

- ☒ Decreasing average total cost as production increases
- ☐ Unrelated to the level of production
- ☐ Constant average total cost at all levels of production
- ☐ Increasing average total cost as production increases

Correct!

That's correct!

Question 17

1 / 1 pts

If a firm experience decreasing returns to scale, it suggests that:

- ☐ The firm is operating at its minimum efficient scale
- ☒ Average total cost increases more than proportionately with production

Correct!

- ☐ Average total cost is decreasing
- ☐ Marginal product is increasing

That's correct!

Question 18

1 / 1 pts

In the context of production functions, what are inputs typically referred to as?

- ☐ Elasticities
- ☐ Marginal products
- ☒ Factors of production
- ☐ Outputs

Correct!

That's correct!

Question 19

1 / 1 pts

Isoquants are used to illustrate:

- ☐ The market demand for a product
- ☐ The elasticity of substitution between inputs
- ☒ The relationship between inputs and output
- ☐ The cost structure of a firm

Correct!

That's correct!

Question 20

1 / 1 pts

In the long run, a production function exhibits increasing returns to scale when:

- ☐ Output increases proportionately less than inputs
- ☐ Marginal product remains constant
- ☒ Output increases proportionately more than inputs
- ☐ Marginal cost increases steadily

Correct!

That's correct!

Quiz Score: 15 out of 20

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