

Lesson Quiz 5-2



Supply

DIRECTIONS: True/False In the blank, indicate whether the statement is true (T) or false (F).

1. _____ The stages of production are distinguished by their marginal products.
2. _____ The stages of production measure the effects of workforce size on marginal product.
3. _____ The third stage of production is distinguished by an increase in output.
4. _____ Changes to variable and fixed input are easiest during a long-run production period.
5. _____ A producer's "marginal product" and "total product" are generally the same amount.

DIRECTIONS: Multiple Choice Indicate the answer choice that best completes the statement or answers the question.

- _____ 6. Labor in a factory is an example of which of these?
- | | |
|-------------------------|------------------------------------|
| A. a marginal product | C. a fixed factor of production |
| B. a diminishing return | D. a variable factor of production |
- _____ 7. In the short run, the amount of capital available for manufacturing is an example of which of these?
- | | |
|-------------------------|------------------------------------|
| A. a marginal product | C. a fixed factor of production |
| B. a diminishing return | D. a variable factor of production |
- _____ 8. Which of these could a firm accomplish during a short-run production period?
- A. relocation of factories
 - B. hiring and firing of workers
 - C. purchase and development of land
 - D. development of new manufacturing technology
- _____ 9. Which of these can be illustrated with a production function?
- A. the effect of consumer demand on total input
 - B. the effect of factory reorganization on total input
 - C. the effect of an increase in work hours on total output
 - D. the effect of capital and wage adjustments on total output
- _____ 10. When is a firm's rate of hiring likely to be highest?
- A. during a phase of negative marginal returns
 - B. during a phase of uncertain marginal returns
 - C. during a phase of increasing marginal returns
 - D. during a phase of decreasing marginal returns