

EE211 Section 1 Extra credit#3 (All answers must be corrected in order to earn 1 point)

Name _____ Last 4 digits ID _____

Answers all following questions.

- A. Constant returns to scale
 - B. Economies of scale
 - C. Increasing returns to scale
 - D. Diminishing returns to an input
 - E. Constant returns to scale
 - F. Diseconomies of scale
 - G. Decreasing returns to scale
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1. _____ If output increases by more than the proportional change in all inputs.
 2. _____ The long-run average total cost falls as the quantity of output increases.
 3. _____ If output increases by the same proportional change as all inputs change.
 4. _____ If output increases by less than the proportional change in all inputs.
 5. _____ The long-run average total cost rises as the quantity of output increases.
 6. _____ An increase in the quantity of that input, holding the levels of all other inputs fixed, leads to a decline in the marginal product of that input.
 7. _____ The long-run average total cost stays the same as the quantity of output changes.