Homework 6—Chapter 8 graphs

Exhibit 22-4

1) Refer to Exhibit 22-4. Curve A is a(n) __________ cost curve.
A) marginal
B) average variable
C) average total
D) average fixed

2) Refer to Exhibit 22-4. Curve B is a(n) __________ cost curve.
A) marginal
B) average variable
C) average total
D) average fixed

3) Refer to Exhibit 22-4. Curve C is a(n) __________ cost curve.
A) marginal
B) average variable
C) average total
D) average fixed

4) Refer to Exhibit 22-4. Curve D is a(n) __________ cost curve.
A) marginal
B) average variable
C) average total
D) average fixed

Exhibit 22-5

5) Refer to Exhibit 22-5. The minimum efficient scale is at
A) point A.
B) point B.
C) point C.
D) point D.
E) points B and C.

6) Refer to Exhibit 22-5. Economies of scale are present between
A) points A and B.
B) points A and C.
C) points B and C.
D) points B and D.
E) points C and D.

7) Refer to Exhibit 22-5. Constant returns to scale are present between
A) points A and B.
B) points A and C.
C) points B and C.
D) points B and D.
E) points C and D.

8) Refer to Exhibit 22-5. Diseconomies of scale are present between
A) points A and B.
B) points A and C.
C) points B and C.
D) points B and D.
E) points C and D.

9) Nobel Prizewinner Ronald Coase argued that firms exist in order to reduce transaction costs.
A) True
B) False