

3.1 The Production Function

Name: _____ Class: _____ Date: _____

Total: 10 marks

KEY WORDS fixed 固定 • short run 短期 • marginal product 边际产量
 • production function 生产函数 • long run 长期

Objective

Build the skills to answer exam questions on **the production function**.

You must be able to:

- define the **production function** 生产函数 as the relationship between inputs and output
- distinguish the **short run** 短期 from the **long run** 长期
- calculate **total**, **marginal**, and **average product**
- explain the **law of diminishing marginal returns** 边际报酬递减

1 Worked examples

Study these first. Each one shows the method for a question type used later.

■ Production function and time

The production function links **inputs** to **output**. In the **short run** at least one input is **fixed**; in the **long run** all inputs are variable.

■ Product measures

Total product (TP) is total output; **marginal product** $MP = \frac{\Delta TP}{\Delta L}$; **average product** $AP = \frac{TP}{L}$.

■ Diminishing marginal returns

Adding more of a variable input to fixed inputs eventually makes **marginal product** **fall**.

2 Practice

2.1 State the difference between the short run and the long run. [2]

2.2 Total product rises from 20 to 26 when a fourth worker is hired. Find the marginal product of the fourth worker. [2]

2.3 State the law of diminishing marginal returns. [1]

3 Exam-style questions

3.1 In the short run, at least one input is [1]

- | | |
|---|---|
| A | B |
| C | D |
- A** variable
B fixed
C zero
D free

3.2 Diminishing marginal returns means marginal product eventually [1]

- | | |
|---|---|
| A | B |
| C | D |
- A** rises
B falls
C stays constant
D is always zero

3.3 A factory adds workers to a fixed set of machines. Output for 1, 2, 3, 4 workers is 10, 22, 30, 34 units.

(a) Find the marginal product of the third worker. [1]

(b) Find the marginal product of the fourth worker. [1]

(c) State whether diminishing marginal returns have set in. [1]