3. Production, Cost, and the Perfect Competition ModelStarter Quiz · 课前小测

AP Microeconomics Name: ____________________ Score: ______

1. In the **short run**, a firm has:
   - ☐ at least one fixed input
   - ☐ no inputs at all
   - ☐ every input variable
   - ☐ no output
2. Total cost equals fixed cost plus ________ cost.

   ____
3. A firm enjoys **economies of scale** when, as it grows:
   - ☐ long-run average cost falls
   - ☐ long-run average cost rises
   - ☐ output falls
   - ☐ fixed costs rise
4. Accounting profit equals:
   - ☐ total revenue − explicit costs
   - ☐ total revenue − implicit costs
   - ☐ total revenue − all costs
   - ☐ explicit costs − implicit costs
5. A firm maximises profit by producing the quantity where:
   - ☐ marginal revenue equals marginal cost
   - ☐ total revenue is highest
   - ☐ price equals total cost
   - ☐ average cost is highest
6. In the short run, a loss-making firm should keep producing as long as:
   - ☐ price is at least the average variable cost
   - ☐ price is at least the average total cost
   - ☐ price is above the fixed cost
   - ☐ it is making any loss at all

7. Total cost is 160 at 10 units and 175 at 11 units. What is the marginal cost of the 11th unit?

    ____

8. Because the LRATC hugs the bottom of all the short-run curves, it is called their _________.

    ____

9. Economic profit is always smaller than (or equal to) accounting profit.

    ☐ True ☐ False

10. For a competitive firm, price equals average revenue and also equals _________ revenue.

    ____

AP Microeconomics

1. **at least one fixed input**

   The short run has at least one fixed input; the long run has none.

2. **variable**

   TC = FC + VC. Fixed costs stay put; variable costs rise with output.

3. **long-run average cost falls**

   Economies of scale = a falling LRATC as the firm gets bigger.

4. **total revenue − explicit costs**

   Accountants subtract only the explicit (paid-out) costs.

5. **marginal revenue equals marginal cost**

   At MR = MC profit can no longer improve — the profit-maximizing rule.

6. **price is at least the average variable cost**

   If $P \geq AVC$, staying open loses less than shutting down (which loses all the fixed cost).

7. **15**

   $MC = \Delta TC/\Delta Q = (175 - 160)/1 = 15$.

8. **envelope**

   The LRATC envelope traces the lowest cost at each level of output.

9. **True**

   Economic profit subtracts implicit costs as well, so it cannot be larger.

10. **marginal**

    Because every unit sells at the same price, P = AR = MR.