14 What must occur if a firm experiences economies of scale?

A average costs decrease

B profits decrease

C the number of workers increases

D total advertising costs decrease

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13 What would be most likely to encourage a firm to grow internally?

A when diseconomies of scale occur at low levels of output

B when economies of scale occur at high levels of output

C when new firms enter the market and increase competition

D when the firm only supplies the local market

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13 What is meant by internal diseconomies of scale?

A average cost for the firm decreases when the output of the firm increases

B average cost for the firm decreases when the output of the industry increases

C average cost for the firm increases when the output of the firm increases

D average cost for the firm increases when the output of the industry increases