Chapter 10: PRODUCTION AND COST ESTIMATION

Multiple Choice

10-1 A linear specification, \( Q = aK + bL \), is not appropriate for estimating a production function because
   a. the marginal products of the inputs are assumed constant.
   b. it does not allow the firm to substitute capital for labor.
   c. the firm could produce positive levels of output at zero cost.
   d. both \( b \) and \( c \)
   e. all of the above
Answer: a
Difficulty: 02 Medium
Topic: Specification of the Short-Run Production Function
AACSB: Reflective Thinking
Blooms: Understand
Learning Objective: 10-01

10-2 Which of the following is an estimable form of a production function?
   a. \( Q = f(L, K) \)
   b. \( Q = f(L, K) \)
   c. \( Q = aK^3L^3 + bK^2L^2 \)
   d. all of the above
   e. none of the above
Answer: c
Difficulty: 02 Medium
Topic: Specification of the Short-Run Production Function
AACSB: Reflective Thinking
Blooms: Remember
Learning Objective: 10-01

10-3 Which of the following represents a short-run cubic production function?
   a. \( Q = aK^3L^3 + bK^2L^2 \)
   b. \( Q = 3AL^2 + 2BL \) (where \( A = aK^3, B = bK^2 \))
   c. \( Q = AL^3 + BL^2 \) (where \( A = aK^3, B = bK^2 \))
   d. \( Q = AL^2 + BL \) (where \( A = aK^3, B = bK^2 \))
   e. all of the above
Answer: c
Difficulty: 01 Easy
Topic: Specification of the Short-Run Production Function
AACSB: Reflective Thinking
Blooms: Remember
Learning Objective: 10-01

10-4 What is a problem with using a production function of the form \( Q = aK + bL \) \((a > 0, b > 0)\)?
   a. \( MRTS \) is constant.
   b. A positive output can be produced when one input is not used.
c. The marginal products of the inputs do not have diminishing marginal returns.
d. both $a$ and $b$
e. all of the above

Answer: e

Difficulty: 01 Easy
Topic: Specification of the Short-Run Production Function
AACSB: Reflective Thinking
Blooms: Remember
Learning Objective: 10-01

10-5 With a cubic production function of the form $Q = aK^3L^3 + bK^2L^2$, in order for the average and marginal product functions to have their usual theoretical properties, it must be the case that

a. $a < 0, b > 0$
b. $a > 0, b < 0$
c. $a < 0, b < 0$
d. $a > 0, b > 0$

Answer: a

Difficulty: 02 Medium
Topic: Specification of the Short-Run Production Function
AACSB: Reflective Thinking
Blooms: Understand
Learning Objective: 10-01

10-6 When estimating a short-run production function of the form $Q = AL^3 + BL^2$, it is necessary to specify in the computer routine that

a. $A < 0$
b. $B > 0$
c. the intercept term is forced to equal zero.
d. $a$ and $b$
e. all of the above

Answer: c

Difficulty: 02 Medium
Topic: Specification of the Short-Run Production Function
AACSB: Reflective Thinking
Blooms: Understand
Learning Objective: 10-01

10-7 When estimating a short-run average variable cost function,
a. the intercept must be forced to equal zero.
b. the cost data must be inflation-adjusted.
c. at least one input must have been constant during the period in which the data were collected.
d. both $b$ and $c$
e. all of the above

Answer: d

Difficulty: 02 Medium
Topic: Short-Run Cost Estimation: Some Problems with Measuring Cost
AACSB: Reflective Thinking
Blooms: Understand
Learning Objective: 10-03

Chapter 10: PRODUCTION AND COST ESTIMATION
An average variable cost function is estimated as

\[ AVC = 96 - 2Q + 0.05Q^2 \]

Which of the following cost functions is associated with this estimate?

a. \[ SMC = 96 - 4Q + 0.1Q^2 \]

b. \[ TVC = 96Q - 2Q^2 + 0.05Q^3 \]

c. \[ TVC = 96Q + 4Q^2 + 0.15Q^3 \]

d. \[ SMC = 96 - 4Q + 0.15Q^2 \]

e. both \( b \) and \( d \)

Answer: e

At what level of labor usage does the maximum average product occur?

a. 20

b. 30

c. 40

d. 50

e. 60

Answer: c

A theoretical restriction on the short-run cubic cost equation, \( TVC = aQ + bQ + cQ^2 \), is

a. \( a > 0, b > 0, c > 0 \)

b. \( a > 0, b < 0, c > 0 \)

c. \( a > 0, b > 0, c < 0 \)

d. \( a > 0, b < 0, c < 0 \)

Answer: b

A short-run production function was estimated as

\[ Q = 0.002L^3 + 0.16L^2 \]

At what level of labor usage does the maximum average product occur?

a. 20

b. 30

c. 40

d. 50

e. 60

Answer: c

A short-run production function was estimated as

\[ Q = 0.002L^3 + 0.16L^2 \]

What is average product when it is at its maximum level?

a. 3.20

b. 8.75

c. 6.92

d. 6.00

e. 9.40
10-12 A short-run production function was estimated as
\[ Q = -0.002L^3 + 0.16L^2 \]
What is total product when average product is at its maximum level?

a. 94  
b. 86  
c. 100  
d. 128  
e. 150  
Answer: d

10-13 A short-run production function was estimated as
\[ Q = -0.002L^3 + 0.16L^2 \]
At 20 units of labor, what is average product?

a. 6.0  
b. 1.9  
c. 6.3  
d. 4.0  
e. 2.4  
Answer: e

10-14 A short-run production function was estimated as
\[ Q = -0.002L^3 + 0.16L^2 \]
At 20 units of labor, what is marginal product?

a. 6.0  
b. 1.9  
c. 6.3  
d. 4.0  
e. 2.4  
Answer: d
Learning Objective: 10-01

10-15 A short-run production function was estimated as 
\[ Q = 0.002L^3 + 0.16L^2 \]

At 20 units of labor, what is total product?

a. 48  
b. 96  
c. 20  
d. 62  
e. 41  

Answer: a  
Difficulty: 03 Hard  
Topic: Specification of the Short-Run Production Function  
AACS: Analytic  
Blooms: Analyze  
Learning Objective: 10-01

10-16 A short-run production function was estimated as 
\[ Q = 0.002L^3 + 0.16L^2 \]

At 60 units of labor, what is average product?

a. 9.4  
b. 8.6  
c. 3.7  
d. 2.4  
e. 6.4  

Answer: d  
Difficulty: 03 Hard  
Topic: Specification of the Short-Run Production Function  
AACS: Analytic  
Blooms: Analyze  
Learning Objective: 10-01

10-17 A short-run production function was estimated as 
\[ Q = 0.002L^3 + 0.16L^2 \]

At 60 units of labor, what is marginal product?

a. 4.1  
b. 1.2  
c. 6.3  
d. 2.4  
e. −2.4  

Answer: e  
Difficulty: 03 Hard  
Topic: Specification of the Short-Run Production Function  
AACS: Analytic  
Blooms: Analyze  
Learning Objective: 10-01
An estimated short-run cost function
a. can be used to make price and output decisions.
b. holds the capital stock constant.
c. can be estimated using time-series data.
d. both $a$ and $c$
e. all of the above
Answer: e
Difficulty: 01 Easy
Topic: Estimation of a Short-Run Cost Function
AACSB: Reflective Thinking
Blooms: Remember
Learning Objective: 10-04

A potential problem with cross-section cost data is that
a. nominal cost data include the effect of inflation.
b. different firms face different input prices.
c. at least one input is fixed over time.
d. both $a$ and $b$
e. none of the above
Answer: b
Difficulty: 02 Medium
Topic: Estimation of a Short-Run Production Function
AACSB: Reflective Thinking
Blooms: Remember
Learning Objective: 10-02

The opportunity cost of capital owned by the firm should reflect
a. acquisition cost.
b. the return foregone by using the capital rather than renting it to another firm.
c. wage rate differences.
d. both $a$ and $b$
Answer: b
Difficulty: 01 Easy
Topic: Short-Run Cost Estimation: Some Problems with Measuring Cost
AACSB: Reflective Thinking
Blooms: Remember
Learning Objective: 10-03

Straker Industries estimated its short-run costs using a U-shaped average variable cost function of the form

$$AVC = a + bQ + cQ^2$$

and obtained the following results. Total fixed cost ($TFC$) at Straker Industries is $1,000.
### The estimated short-run marginal cost function (SMC) at Straker Industries is:

a. \( SMC = 43.4Q + 1.4Q^2 + 0.07Q^3 \)

b. \( SMC = 43.4 - 1.4Q + 0.07Q^2 \)

c. \( SMC = 43.4Q - 5.6Q^2 + 0.6Q^3 \)

d. \( SMC = 43.4 + 5.6Q + 0.6Q^2 \)

Answer: d

Difficulty: 02 Medium

Topic: Estimation of a Short-Run Cost Function

AACSB: Analytic

Blooms: Apply

Learning Objective: 10-04

10-22 Straker Industries estimated its short-run costs using a U-shaped average variable cost function of the form

\[
AVC = a + bQ + cQ^2
\]

and obtained the following results. Total fixed cost (TFC) at Straker Industries is $1,000.

### At what level of output is average variable cost (AVC) at its minimum point for Straker Industries?

a. 0.14

b. 4.7

c. 7

d. 14

e. 28

Answer: c

Difficulty: 02 Medium

Topic: Estimation of a Short-Run Cost Function

AACSB: Analytic
Straker Industries estimated its short-run costs using a U-shaped average variable cost function of the form

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At Straker Industries, average variable cost (AVC) reaches its minimum value at $\square$.  
a. $24.50  
b. $33.60  
c. $72.80  
d. $121.80
Answer: b
Difficulty: 02 Medium  
Topic: Estimation of a Short-Run Cost Function  
AACSB: Analytic  
Blooms: Apply  
Learning Objective: 10-04

Straker Industries estimated its short-run costs using a U-shaped average variable cost function of the form

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If Straker Industries produces 20 units of output, what is estimated average variable cost (AVC)?
10-25 Straker Industries estimated its short-run costs using a U-shaped average variable cost function of the form

\[ AVC = a + bQ + cQ^2 \]

and obtained the following results. Total fixed cost (TFC) at Straker Industries is $1,000.

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If Straker Industries produces 20 units of output, what is estimated total variable cost (TVC)?

a. $1,348
b. $1,498
c. $2,348
d. $4,428

Answer: a

Difficulty: 02 Medium
Topic: Estimation of a Short-Run Cost Function
AACSB: Analytic
Blooms: Apply
Learning Objective: 10-04

10-26 Straker Industries estimated its short-run costs using a U-shaped average variable cost function of the form

\[ AVC = a + bQ + cQ^2 \]

and obtained the following results. Total fixed cost (TFC) at Straker Industries is $1,000.
If Straker Industries produces 20 units of output, what is estimated total cost (TC)?

a. $1,348
b. $1,498
c. $2,348
d. $4,428

Answer: c

Difficulty: 02 Medium

Topic: Estimation of a Short-Run Cost Function

AACSB: Analytic

Blooms: Apply

Learning Objective: 10-04

10-27 Straker Industries estimated its short-run costs using a U-shaped average variable cost function of the form

\[ AVC = a + bQ + cQ^2 \]

and obtained the following results. Total fixed cost (TFC) at Straker Industries is $1,000.

If Straker Industries produces 20 units of output, what is estimated average total cost (ATC)?

a. $19.40
b. $67.40
c. $117.40
d. $1,348

Answer: c

Difficulty: 02 Medium

Topic: Estimation of a Short-Run Cost Function

AACSB: Analytic

Blooms: Apply

Learning Objective: 10-04
Straker Industries estimated its short-run costs using a U-shaped average variable cost function of the form

\[ AVC = a + bQ + cQ^2 \]

and obtained the following results. Total fixed cost \((TFC)\) at Straker Industries is $1,000.

If Straker Industries produces 20 units of output, what is estimated short-run marginal cost \((SMC)\)?

- a. $171.40
- b. $463.20
- c. $1,348
- d. $2,348

Answer: a

Difficulty: 02 Medium
Topic: Estimation of a Short-Run Cost Function
AACSB: Analytic
Blooms: Apply
Learning Objective: 10-04
Straker Industries estimated its short-run costs using a U-shaped average variable cost function of the form

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and obtained the following results. Total fixed cost (\(TFC\)) at Straker Industries is $1,000.

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If Straker Industries produces 12 units of output, what is estimated total variable cost (\(TVC\))?  

a. $171.40  
b. $463.20  
c. $1,348  
d. $2,348  

Answer: b  

Difficulty: 02 Medium  
Topic: Estimation of a Short-Run Cost Function  
AACS: Analytic  
Blooms: Apply  
Learning Objective: 10-04
If Straker Industries produces 12 units of output, what is estimated total cost ($TC$)?

a. $1,000  

b. $1,463  

c. $2,348  

d. $4,428  

Answer: b  
Difficulty: 02 Medium  
Topic: Estimation of a Short-Run Cost Function  
AACSB: Analytic  
Blooms: Apply  
Learning Objective: 10-04

10-32 Straker Industries estimated its short-run costs using a U-shaped average variable cost function of the form

$$AVC = a + bQ + cQ^2$$

and obtained the following results. Total fixed cost ($TFC$) at Straker Industries is $1,000.

If Straker Industries produces 12 units of output, what is estimated average total cost ($ATC$)?

a. $121.93  

b. $171.40  

c. $463.20  

d. $1,348  

Answer: a  
Difficulty: 02 Medium  
Topic: Estimation of a Short-Run Cost Function  
AACSB: Analytic  
Blooms: Apply  
Learning Objective: 10-04
Straker Industries estimated its short-run costs using a U-shaped average variable cost function of the form

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If Straker Industries produces 12 units of output, what is estimated short-run marginal cost (SMC)?

a. $28.04  
b. $32.40  
c. $33.33  
d. $62.60  
Answer: d  
Difficulty: Marginal cost  
Topic: Estimation of a Short-Run Cost Function  
AACSB: Analytic  
Blooms: Apply  
Learning Objective: 10-04

For the short-run cost function \( AVC = a + bQ + cQ^2 \),

a. the \( AVC \) curve is -shaped when \( a < 0, b > 0, \) and \( c < 0 \).  
b. the \( AVC \) curve is -shaped when \( a > 0, b < 0, \) and \( c > 0 \).  
c. the corresponding \( SMC \) function is \( SMC = aQ + 2bQ^2 + 3cQ^3 \).  
d. both \( a \) and \( c \)  
e. all of the above
Answer: b  
Difficulty: 01 Easy  
Topic: Specification of the Short-Run Production Function  
AACSB: Reflective Thinking  
Blooms: Remember  
Learning Objective: 10-01
A cubic specification for a short-run production function is appropriate when the scatter diagram indicates
a. an $S$-shaped total product curve.
b. marginal product of labor falls throughout the range of labor usage.
c. total product is decreasing throughout the range of labor usage.
d. an $S$-shaped marginal product of labor curve.
e. a $\cup$-shaped marginal product of labor curve (MP first falls and then rises as labor usage increases).
Answer: a

When estimating a cubic short-run production function $Q = AL^3 + BL^2$ using linear regression analysis, you must
a. transform the equation into linear form by defining $L^3$ and $L^2$ as $L^3$ and $L^2$, respectively.
b. suppress the intercept term (regress through the origin).
c. convert the right-hand-side variables to logarithms.
d. both $a$ and $b$
e. both $b$ and $c$
Answer: d

The empirical specification $TVC = aQ + bQ^2 + cQ^3$ can be used to estimate
a. a short-run cubic production function.
b. short-run cubic cost function.
c. a $\cup$-shaped $TVC$ curve.
d. both $b$ and $c$
e. none of the above
Answer: b

The empirical specification $Q = AL^3 + BL^2$ can be used to estimate
a. a short-run cubic production function.
b. short-run cubic cost function.
c. a family of $U$-shaped product curves.
d. both $a$ and $c$
e. none of the above
Answer: a
A firm estimates its long-run production function to be

\[ Q = 0.0075K^3 L^3 + 12K^2 L^2 \]

Suppose the firm employs 12 units of capital. The product curve(s) in the short-run are

a. \( TP = -12.96 L^3 + 1,728L^2 \)

b. \( AP = -12.96 L^3 + 1,728L^2 \)

c. \( MP = -38.88 L^2 + 3,456L \)

d. both \( a \) and \( b \)

e. both \( a \) and \( c \)

Answer: e

Difficulty: 02 Medium
Topic: Estimation of a Short-Run Production Function
AACSB: Analytic
Blooms: Apply
Learning Objective: 10-02

A firm estimates its long-run production function to be

\[ Q = 0.0075K^3 L^3 + 12K^2 L^2 \]

Suppose the firm employs 12 units of capital. At ______ units of labor, marginal product of labor begins to diminish.

a. 32.21

b. 44.44

c. 66.67

d. 76.66

e. 82.27

Answer: b

Difficulty: 03 Hard
Topic: Estimation of a Short-Run Production Function
AACSB: Analytic
Blooms: Apply
Learning Objective: 10-02

A firm estimates its long-run production function to be

\[ Q = 0.0075K^3 L^3 + 12K^2 L^2 \]

Suppose the firm employs 12 units of capital. At ______ units of labor, average product of labor begins to diminish.

a. 32.21

b. 44.44

c. 66.67

d. 76.66

e. 82.27

Answer: c
Difficulty: 02 Medium  
Topic: Estimation of a Short-Run Production Function  
AACSB: Analytic  
Blooms: Apply  
Learning Objective: 10-02

10-42 A firm estimates its long-run production function to be

\[ Q = 0.0075K^3L^3 + 12K^2L^2 \]

Suppose the firm employs 12 units of capital. Marginal product when 10 units of labor are employed is

a. 12,248  
b. 13,142  
c. 14,287  
d. 15,984  
e. 30,672

Answer: e

Difficulty: 02 Medium  
Topic: Specification of the Short-Run Production Function  
AACSB: Analytic  
Blooms: Apply  
Learning Objective: 10-01

10-43 A firm estimates its long-run production function to be

\[ Q = 0.0075K^3L^3 + 12K^2L^2 \]

Suppose the firm employs 12 units of capital. Average product when 10 units of labor are employed is

a. 12,248  
b. 13,142  
c. 14,287  
d. 15,984  
e. 30,672

Answer: d

Difficulty: 02 Medium  
Topic: Estimation of a Short-Run Production Function  
AACSB: Analytic  
Blooms: Apply  
Learning Objective: 10-02

10-44 The manager of Greene Enterprises, Inc., recently estimated its average variable cost (AVC) function to be

\[ AVC = 88 - 0.026Q + 0.000003Q^2 \]

Greene Enterprises faces total fixed costs (TFC) of $300,000. At what level of output does average variable cost (AVC) reach its minimum value for Greene Enterprises?

a. 800  
b. 3,144
10-45 The manager of Greene Enterprises, Inc., recently estimated its average variable cost (AVC) function to be

\[ AVC = 88 - 0.026Q + 0.000003Q^2 \]

Greene Enterprises faces total fixed costs (TFC) of $300,000. At Greene Enterprises, average variable cost (AVC) reaches its minimum value at $________.

a. $28.00  
b. $31.67  
c. $39.64  
d. $43.33  
e. $82.00

Answer: b

Difficulty: 02 Medium
Topic: Estimation of a Short-Run Cost Function
AACSB: Analytic
Blooms: Apply
Learning Objective: 10-04

10-46 The manager of Greene Enterprises, Inc., recently estimated its average variable cost (AVC) function to be

\[ AVC = 88 - 0.026Q + 0.000003Q^2 \]

Greene Enterprises faces total fixed costs (TFC) of $300,000. What is total variable cost (TVC) at Greene Enterprises when average variable cost (AVC) is at its minimum?

a. $48,000  
b. $101,101  
c. $137,222  
d. $190,476  
e. $437,212

Answer: c

Difficulty: 02 Medium
Topic: Estimation of a Short-Run Cost Function
AACSB: Analytic
Blooms: Apply
Learning Objective: 10-04

10-47 The manager of Greene Enterprises, Inc., recently estimated its average variable cost (AVC) function to be

\[ AVC = 88 - 0.026Q + 0.000003Q^2 \]
Greene Enterprises faces total fixed costs (TFC) of $300,000. When Greene Enterprises produces 6,000 units, average variable cost (AVC) is $_________.

a. $40  
b. $49.62  
c. $55  
d. $60  
e. $72.46  

Answer: a  
Difficulty: 02 Medium  
Topic: Estimation of a Short-Run Cost Function  
AACSB: Analytic  
Blooms: Apply  
Learning Objective: 10-04

10-48 The manager of Greene Enterprises, Inc., recently estimated its average variable cost (AVC) function to be

\[ AVC = 88 - 0.026Q + 0.000003Q^2 \]

Greene Enterprises faces total fixed costs (TFC) of $300,000. If Greene Enterprises produces 6,000 units of output, what is estimated short-run marginal cost (SMC)?

a. $45.60  
b. $62.40  
c. $83  
d. $92  
e. $100

Answer: e  
Difficulty: 02 Medium  
Topic: Estimation of a Short-Run Cost Function  
AACSB: Analytic  
Blooms: Apply  
Learning Objective: 10-04

10-49 The manager of Greene Enterprises, Inc., recently estimated its average variable cost (AVC) function to be

\[ AVC = 88 - 0.026Q + 0.000003Q^2 \]

Greene Enterprises faces total fixed costs (TFC) of $300,000. If Greene Enterprises produces 6,000 units of output, what is estimated average total cost (ATC)?

a. $40  
b. $75.25  
c. $80  
d. $90  
e. $168.42

Answer: d  
Difficulty: 02 Medium  
Topic: Estimation of a Short-Run Cost Function  
AACSB: Analytic  
Blooms: Apply  
Learning Objective: 10-04
The manager of Greene Enterprises, Inc., recently estimated its average variable cost (AVC) function to be

\[ AVC = 88 - 0.026Q + 0.000003Q^2 \]

Greene Enterprises faces total fixed costs (TFC) of $300,000. When Greene’s output is 6,000 units, average variable cost (AVC) is

- rising
- falling
- greater than short-run marginal cost
- less than short-run marginal cost
- both a and d

Answer: e

Difficulty: 02 Medium
Topic: Estimation of a Short-Run Cost Function
AACSB: Analytic
Blooms: Apply
Learning Objective: 10-04

The manager of Greene Enterprises, Inc., recently estimated its average variable cost (AVC) function to be

\[ AVC = 88 - 0.026Q + 0.000003Q^2 \]

Greene Enterprises faces total fixed costs (TFC) of $300,000. When Greene’s output is 2,000 units, what is average variable cost (AVC)?

- $20
- $48
- $62
- $72
- $85

Answer: b

Difficulty: 02 Medium
Topic: Estimation of a Short-Run Cost Function
AACSB: Analytic
Blooms: Apply
Learning Objective: 10-04

The manager of Greene Enterprises, Inc., recently estimated its average variable cost (AVC) function to be

\[ AVC = 88 - 0.026Q + 0.000003Q^2 \]

Greene Enterprises faces total fixed costs (TFC) of $300,000. When Greene’s output is 2,000 units, average variable cost (AVC) is

- rising
- falling
- greater than short-run marginal cost
- less than short-run marginal cost
- both b and c

Answer: e

Difficulty: 02 Medium
Topic: Estimation of a Short-Run Cost Function
10-53 The manager of Greene Enterprises, Inc., recently estimated its average variable cost (AVC) function to be

$$AVC = 88 - 0.026Q + 0.000003Q^2$$

Greene Enterprises faces total fixed costs (TFC) of $300,000. When Greene’s output is 2,000 units, what is short-run marginal cost (SMC)?

a. $20  
b. $42  
c. $72  
d. $90  
e. $100

Answer: a  
Difficulty: 02 Medium
Topic: Estimation of a Short-Run Cost Function
AACS: Analytic  
Blooms: Apply
Learning Objective: 10-04

10-54 The manager of Greene Enterprises, Inc., recently estimated its average variable cost (AVC) function to be

$$AVC = 88 - 0.026Q + 0.000003Q^2$$

Greene Enterprises faces total fixed costs (TFC) of $300,000. When Greene’s output is 2,000 units, what is total cost (TC)?

a. $144,000  
b. $396,000  
c. $444,000  
d. $642,000  
e. $846,000

Answer: b  
Difficulty: 01 Easy
Topic: Estimation of a Short-Run Cost Function
AACS: Analytic  
Blooms: Apply
Learning Objective: 10-04

10-55 A short-run marginal cost function is estimated as $SMC = 96 - 4Q + 0.15Q^2$. Which of the following cost functions is associated with this estimated $SMC$ equation?

a. $TVC = 96Q - 2Q^2 + 0.05Q^3$  
b. $SMC = 96 - 4Q + 0.1Q^2$  
c. $TVC = 96Q + 4Q^2 + 0.15Q^3$  
d. $AVC = 96 - 2Q + 0.05Q^2$  
e. a and d

Answer: e  
Difficulty: 02 Medium
Topic: Estimation of a Short-Run Cost Function

Chapter 10: PRODUCTION AND COST ESTIMATION
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AACSB: Reflective Thinking
Bloom's: Understand
Learning Objective: 10-04