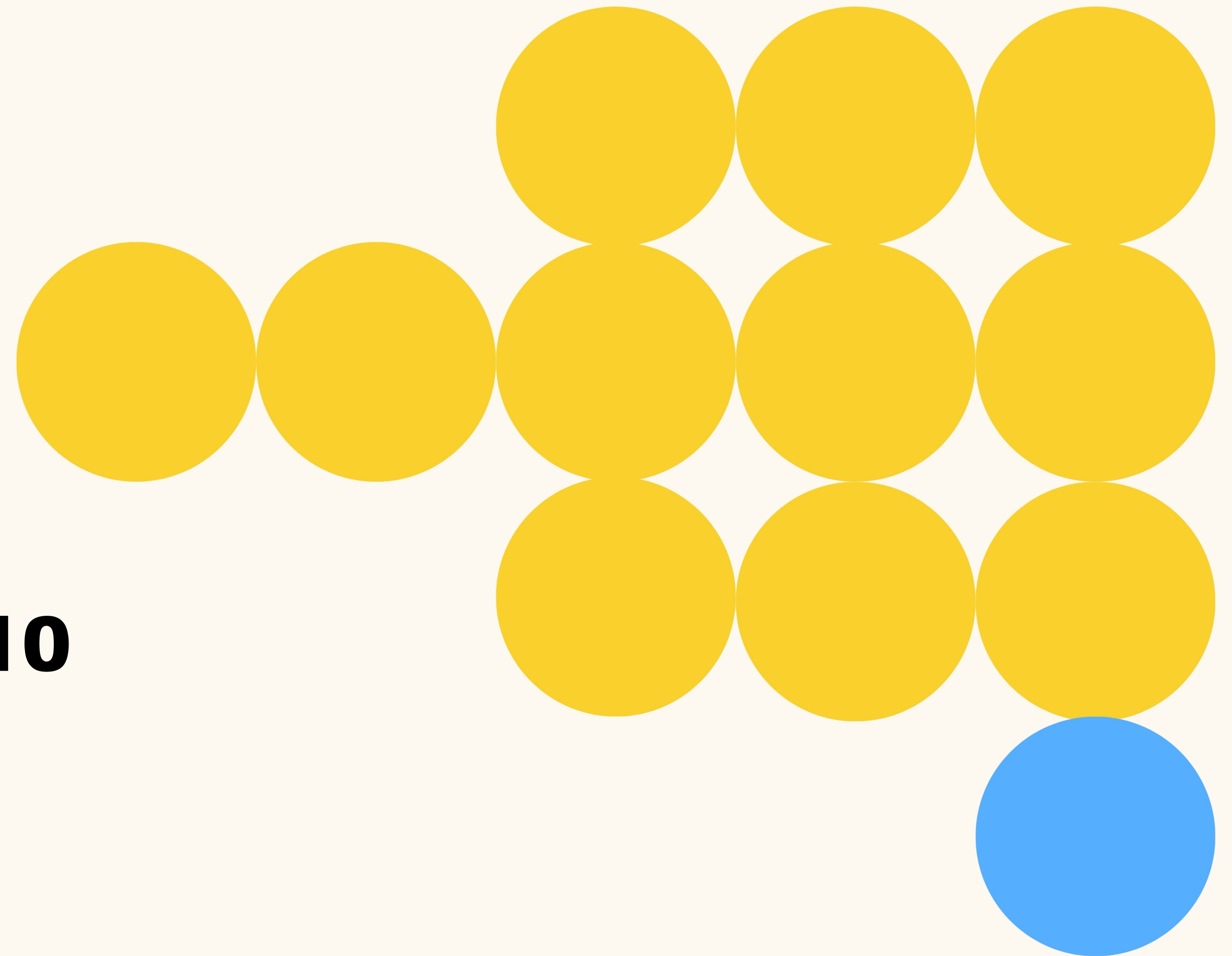


# Firms

## Microeconomics - year10



# Agenda

Drive growth of monthly sales volume of purchases

- Multiple choice
- Essay

Be the most desirable brand



# Recap

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**IGCSE Economics Exam Crash Course by Knockout.Economics**

**Chapter20 : Firms**

# Recap

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**IGCSE Economics Exam Crash Course by Knockout.Economics**

**Chapter20 : Firms**

# Part1-Multiple choice

**1. What is the consequence when the firms become bigger and produce more output?**

- A. Average costs of production will decrease
- B. Average costs of production will constant.
- C. Revenue and profit will decrease.
- D. The selling price of the firm's products will increase.

# Part1-Multiple choice

**2. What is a likely reason why firms do not expand production?**

- A. Internal diseconomies of scale occur at high levels of production
- B. Internal economies of scale occur at high levels of production
- C. Internal economies of scale occur at low levels of production
- D. Internal diseconomies of scale occur at low levels of production

# Part1-Multiple choice

**3. A coffee shop takes out a loan to finance the opening of additional branches by acquiring rival firms. Which type of growth is this?**

- A. internal and horizontal
- B. internal and vertical
- C. external and horizontal
- D. external and vertical

# Part1-Multiple choice

## 4. What is meant by internal diseconomies of scale?

- A. Average cost for the firm drops as its output increases.
- B. Average cost for the firm drops as industry output rises.
- C. Average cost for the firm rises as its output increases.
- D. Average cost for the firm rises as industry output increases.

# Part1-Multiple choice

5. Which combination highlights the benefits of a small firm compared to a larger firm?

	Better communication	Flexibility
A	X	/
B	X	X
C	/	X
D	/	/

# Part2- Essay

1. Analyse why a government may control a horizontal merger. [6]
2. To what extent, small firms can compete successfully against big firms. [8]

# Part2- Essay (Continue)

2. To what extent, small firms can compete successfully against big firms. [8]

# The End

