Delhi Public School, Jammu Session (2014-2015)

Class: XII Sub: Economics

Topics:-Unit – III (Production function, cost, revenue, supply, producer equilibrium)

General Instructions:

- 1. Q.no 1-5 are very short type and are required to be answered in one sentence each.
- 2. Q.no 6-7 are short type and are required to be answered upto 60 words.
- 3. Q.no 8-9 are short type and are required to be answered upto 70 words.
- 4. Q.no10 is long type and is required to be answered upto 100 words.
- Q1. When MPP is falling and positive, at what rate TPP is changing.
- Q2. Can there be some fixed cost in the long run? If not why?
- Q3. Why is MR curve below the AR curve?
- Q4. What are implicit costs?
- Q5. What is production function?
- Q6. Why is the average cost curve in the short run U-shaped?
- Q7. Explain the concept of producer equilibrium with the MR-MC approach.
- Q8. Because of a cyclone in a coastal area, the sea water covers a lot of rice fields. This reduces the productivity of land. How will it affect the supply curve of rice of that region?
- Q9. Calculate Total Variable Cost and Marginal Cost from the following:

Output(units): 0 1 2 3 4

TC(Rs): 40 60 78 97 124

Q10. State and explain the law of Variable proportions.