BAL BHARATI PUBLIC SCHOOL
Ganga Ram Hospital Marg, New Delhi-60

CLASS –XII (MICRO) (UNIT III) SUBJECT -ECONOMICS
ASSIGNMENT- 12 TOPIC – Costs

1. Define / briefly explain and give examples:-
   (a) Explicit cost (b) implicit cost (c) fixed cost (FC) (d) Variable cost (VC) (e) marginal cost (MC) (f) Total cost (TC) (g) Average Fixed Cost (AFC) (h) Average Variable Cost (AVC) (i) Average cost (AC) (j) Money cost (k) Real cost
2. What happens to the following as output increases in the short run:
   (i) TFC (ii) TVC (iii) TC iv) AVC (v) AFC (vi) ATC (vii) MC
3. Draw TFC, TVC and TC curves on the same axis and explain the relationship between them.
4. Draw ATC, AVC and MC curves on the same axis and explain the relationship between them.
5. Classify the following into FC & VC:-
   (a) Rent for a shed (b) Minimum telephone bill (c) cost of raw material (d) wages to permanent staff (e) interest on capital (f) payment for transportation of goods (g) daily wages (h) interest on loan
6. How is TVC derived from MC?
7. Do ATC and AVC curves intersect? Give reasons.
8. A firm is producing 20 units. At this level of output ATC and AVC are respectively equal to Rs 40 and Rs 37. Find total fixed cost of this firm.
9. Show that MC is affected only by marginal costs.
10. Can MC rise when AC is falling? Give reasons.
11. Calculate MC & AC

Total output:	0	3	5
Total cost:	50	80	120

12. Calculate AC and AVC for Deepak Sales Co from data given below:

(a) Wage bill	Rs 20,000
(b) Raw material purchased	Rs 60, 000
(c) Interest paid	Rs 6,000
(d) Fuel consumption	Rs 10,000
(e) Rent paid	Rs 4,000
(f) Units of output produced	Rs 2,000

13. Complete the following table:-

X	TC	TFC	TVC	ATC	AFC	AVC	MC
0	250	_	_	_	_	_	_
1	_	_	_	_	_	_	100
2	_	_	_	210	_	_	_
3	_	_	220	_	_	_	_
4	510	_	_	_	_	_	_
5	_	_	_	_	_	60	_

14. Calculate AVC

X (Units)	1	2	3	4

MC (Rs)	80	70	72	78