## Assignment-Economics

Class-XII
TOPIC- Unit-3 (Producer behaviour and supply)

1. What changes will take place in Marginal product when Total product increases at a diminishing rate?
2. What is the behaviour of Total fixed cost.
3. State any one cause of leftward shift in supply curve.
4. When the supply is termed as perfectly inelastic?
5. What is the price elasticity of supply of a commodity whose straight line supply curve passes through the origin at an angle of $75^{\circ}$.
6. Explain the relationship between $A R$ and $M R$ when the firm is able to sell more of output
a. At the same price
b. Only by lowering the price
7. Explain the effect of rise in price of other goods and fall in the price of factor input on the supply curve of the commodity.
8. Can Average cost and Average variable cost ever meet each other. Explain with the help of diagram.
9. What is the likely behaviour of total product and marginal product curve, when for increasing production only one input is increased while all other inputs kept constant.
10. State whether the following statements are true or false. Give reason for your answer.
a. When MR is constant, TR will also be constant.
b. TP always increase whether there is an increasing returns to a factor or diminishing returns to a factor.
c. When output increases TFC remains constant.
d. Marginal product shows the change in Total product due the production of an additional unit of the commodity.
11. Determine producer's equilibrium from the following data through MC and MR approach. Give reason for your answer.

| Output | AR | AC |
| :--- | :--- | :--- |
| 1 | 12 | 4 |

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| 2 | 11 | 5 |
| :--- | :--- | :--- |
| 3 | 10 | 6 |
| 4 | 9 | 7 |
| 5 | 8 | 9 |

12. A firm's fixed cost is Rs 2000. Compute TVC,AVC,TC and ATC from the following data

| Output | MC |
| :--- | :--- |
| 1 | 2000 |
| 2 | 1500 |
| 3 | 1200 |
| 4 | 1500 |
| 5 | 2000 |
| 7 | 3500 |

