Assignment- Economics

Class XII

1. Define the following:
   a. Indifference Curve
   b. Indifference Map
   c. Marginal Rate of Substitution (MRT)
   d. Budget Line
   e. Budget Set
   f. Monotonic Preferences
   g. Elastic Ed
   h. Inelastic Ed
2. Write the relationship between TU and MU with the help of diagram and schedule.
3. Explain consumer's equilibrium by utility approach in case of two commodities.
4. Why the consumer is always in equilibrium at the point where slope of IC is equal to slope of Budget line.
5. Write any four factors that increases demand and explain them.
6. Write the effects on demand curve in following cases
   a. Increase in the income of consumer
   b. Rise in the price of substitute goods on demand for good X.
   c. Decrease in the price of compliment good.
7. Write any three factors which affect Ed.
8. At a price of Rs 20 the quantity demanded is 300 units. If the price falls by 10% quantity demanded rises by 60 units. Find Ed. Is the Ed is elastic or inelastic.
9. A consumer buys 20 units at Rs 10. If the price Ed is -1, calculate quantity demanded at Rs 8.
10. Price of a commodity falls from Rs 4 to Rs 3 as a result total expenditure rises from Rs 200 to Rs 300. Find Ed by percentage method.