

CHOITHRAM SCHOOL MANIKBAGH INDORE

CLASS XII Session: 2017-18

SUBJECT-Economics
Scheduled Date- 28/07/17

ASSIGNMENT No.-1
Submission Date. – 02/08/2017

Q.no	Questions	Marks																					
1.	Area under MC curve = TVC. Give reason.	1																					
2.	Why do the MR and AR curves look alike under monopoly and monopolistic competition?	1																					
3.	Shut down point means shutting down the firm. Do you agree? Give reason.	1																					
Very Short Answer																							
4	Do you agree that DP must decrease in a situation of diminishing returns?	2																					
5	What is the relationship between price and MC in a monopolistic competitive market?	2																					
6	MR of the firm falls from Rs.20 to Rs. -20. Find the corresponding TR, if AR=MR=20 corresponding to a specific output of 5000 units.	2																					
7	Why total cost curve and variable cost curve are parallel to each other?	2																					
Short Answer																							
8	From the following information about a firm, find the firm's equilibrium output in terms of MC and MR. Give reasons. Also find profit at this output. <table border="1" style="margin-left: 20px;"><tr><td>Output</td><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td><td>6</td></tr><tr><td>TR</td><td>6</td><td>12</td><td>18</td><td>24</td><td>30</td><td>36</td></tr><tr><td>TC</td><td>7</td><td>13</td><td>18</td><td>22</td><td>28</td><td>35</td></tr></table>	Output	1	2	3	4	5	6	TR	6	12	18	24	30	36	TC	7	13	18	22	28	35	3
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TR	6	12	18	24	30	36																	
TC	7	13	18	22	28	35																	
9	It is because of the law of variable proportion that MP curve makes an inverted -U. True or false? Give reason in support of your answer.	3																					
10	Explain producer's equilibrium using marginal revenue and marginal cost approach.	3																					
Long answer																							
11	Consider a situation when 10% increase in all inputs leads to 12% increase in output. How does it impact the average cost? Is it a short period phenomenon or a long period phenomenon?	5																					
12	Explain the economic value of a horizontal straight price line for a firm?	5																					