INDIAN SCHOOL MUSCAT
SENIOR SECTION
DEPARTMENT OF COMMERCE AND HUMANITIES
CLASS XI
THEORY OF FIRM UNDER PERFECT COMPETITION
WORKSHEET - 7

I. Answer in one sentence only

1. Define Total Revenue.

2. What is supply curve of a firm in the short run?

3. What is the shut down point of a firm in the short run?

4. Define opportunity cost?

5. How is market supply curve of a commodity derived?

6. Define price elasticity of supply.

II. Explain in 30 words each

7. Discuss the nature of AR and MR curves of a firm under conditions of perfect competition.

8. Why do we consider firm as a price taker under perfect competition?

9. Distinguish between implicit cost and explicit cost.

10. Define a. Marginal Revenue b. Normal profits c. Supply

11. How is price elasticity of supply measured according to geometrical method?

II. Explain in 40 words each

12. Distinguish between change in quantity supplied and change in supply

13. A firm earns revenue of Rs.50 when market price of a good is Rs.10. The market price increases to Rs.15 and now the firm earns revenue of Rs. 150.What is the price elasticity of supply?

14. The market price of a good changes from Rs.5 to Rs20. As a result the quantity supplied by the form increases by 15 units. Price elasticity of firms supply curve is 0.5. Find initial and final level of output of the firm.

15. The following table shows the total cost schedule of a firm. It is given that the price of the good is Rs.10. Find profit maximising level of output of then firm with the help of TR & TC and MR & MC

Units:	0	1	2	3	4	5	6	7	8	9	10
TC(Rs)	5	15	22	27	31	38	49	63	81	101	123

16. What conditions must hold good if a profit maximising firm produces positive level of output.

17. State the law of supply with a schedule and diagram.

IV Explain in around 100 words.

18. What are the determinants of supply of a good? Explain using diagram.

19. Briefly explain the conditions of profit maximising level of output of a firm under perfect competition.