



INDIAN SCHOOL MUSCAT
SENIOR SECTION
DEPARTMENT OF COMMERCE AND HUMANITIES
CLASS XI – MICRO ECONOMICS
UNIT – 03: PRODUCERS' BEHAVIOR AND SUPPLY
PRODUCTION AND COST
WORKSHEET - 6

I. Answer in one sentence each

1. Define production function.
2. When Output increases, The gap between Total Cost and Total Variable Cost will:
A. Remains the same
B. Will also increase
C. Will diminish
D. Will finally become zero
3. Total cost of producing 5 units of output is ₹80. Average variable cost at this level is ₹10. The Average Fixed Cost of producing 5 units of output would be:
A. ₹ 30 B. ₹20 C. ₹ 5 D. ₹6
4. When firm increases the employment of labour from 10 units to 15 units, The total Product increases from 120 units to 150 units. The marginal product of labour at 15th units would be:
A. 30 B. 20 C. 10 D. 6
5. The curve that shows the set of all possible combinations of two inputs that yield same level of output is called -----.
A. Isoquants
B. Indifference curve
C. Production possibility curve
D. Total Product curve
6. When Marginal Product coincides with X axis:
A. Total Product would be constant
B. Total Product would be diminishing
C. Total Product would be increasing
D. Total Product would become zero
7. The area under MC at a given point of output is:
a. Total Cost b. Total Variable Cost c. Total Fixed Cost d. Average Total Cost
8. When Short Run Marginal Cost Curve intersects Short Run Average Cost Curve:
A. Short Run Average Cost curve would be increasing
B. Short Run Average Cost curve would be diminishing
C. Short Run Average Cost curve would be constant
D. Short Run Marginal Cost curve would be diminishing

II. Answer in around 60 words each

9. How does short run cost analysis differ from long run cost analysis?
10. What are the causes behind the law of diminishing returns to a factor?
11. Calculate TP and MP for the following
- | | | | | | | |
|-------------------|---|----|----|----|---|---|
| Units of output: | 1 | 2 | 3 | 4 | 5 | 6 |
| Marginal Product: | 6 | 10 | 14 | 10 | 6 | 2 |
12. Why is Long run Average Cost 'U' shaped?
13. What is the shape of AFC? Why is it so?

III. Answer in around 75 words each

14. With the help of a diagram explain the relation between AVC, MC and SAC
15. Using suitable diagram distinguish between TVC and TFC
16. Can the TFC influence the MC? Explain.
17. Distinguish between Total Cost and Total Variable Cost
18. Complete the following table

Output	Total Cost	Average Variable Cost	Marginal Cost
0	24		
1	44	-----	----
2	-----	15	----
3	-----	-----	15
4	88	-----	-----

IV. Answer in around 100 words each

19. Using a suitable diagram explain the relationship between TP and MP in its three stages of law of variable proportion
20. Distinguish between Short Run Production function and Long run production function using numerical illustration.
21. Following information is given about a firm

Output	0	1	2	3	4	5	6
Total costs	500	600	680	740	840	1000	1260

Find out:

- Average variable cost of producing 5 units
- The average fixed cost of producing 4 units
- The least cost level of output
- Marginal cost when third unit is produced
- Total variable cost of producing 6 units
- Average cost at 5th unit of output.