



INDIAN SCHOOL MUSCAT
DEPARTMENT OF COMMERCE AND HUMANITIES
SENIOR SECTION
CLASS – XI - MICROECONOMICS (030)
UNIT – 03: PRODUCERS' BEHAVIOR AND SUPPLY
REVENUE AND SUPPLY – THEORY QUESTIONS
WORKSHEET - 07



I. Answer in one sentence only (1 mark each)

1. Define Total Revenue.
2. What is supply curve of a firm in the short run?
3. Define price elasticity of supply.
4. Define supply and market supply.
5. State the law of supply.
6. What causes a downward movement along a supply curve of a commodity?
7. What is the effect of time factor on the elasticity of supply?

II. Explain in 30 words each (3 marks each)

1. Discuss the nature of AR and MR curves of a firm under conditions of perfect competition.
2. Why do we consider firm as a price taker under perfect competition?
3. Distinguish between implicit cost and explicit cost.
4. Define a. Marginal Revenue b. Normal profits c. Supply
5. Distinguish between movement along the supply curve and shifts in the supply curve with the help of suitable diagrams.
6. Explain the effect of 'technological changes' on the supply of a commodity.
7. How does a change in the price of inputs affect the supply curve of a commodity?
8. How does an increase in the rate of excise duty shift the supply curve and why?
9. Explain the effect of 'related goods in production' on the supply of a commodity.

III. Explain in 40 words each (4 marks each)

1. Distinguish between change in quantity supplied and change in supply
2. State the law of supply with a schedule and diagram.