

Class 12
12-8-2016

Second Unit Test (First Term) in ECONOMICS

Time : 1 hr.
M. Marks : 20

1. What happens to the gap between TVC and TC at higher levels of output? (1)
2. Give two examples of implicit cost. (1)
3. What will be the nature of TR when every additional unit of output brings lesser and lesser revenue to the producer? (1)
4. The elasticity of supply of a commodity is 2. At a price of Rs. 5 per unit, the quantity supplied is 10 units. What will be the quantity supplied when price rises by Rs. 7? (3)
5. Describe the relation between AVC and MC. Use diagram. (3)
6. Explain the effect of the following on the supply curve of a product: (3)
 - a) Decrease in excise duty.
 - b) Increase in price of substitute.
7. Describe the changes in MP when one input is kept constant and the other is varied. Use diagram. (4)
8. Use a schedule to explain the concept of producer's equilibrium in a perfectly competitive market using MR-MC approach. (4)

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