Class-XI   **Subject- Economics**

Topic- Production Function ,
Cost, Revenue and Supply

Based on understanding of the E-lectures- cum- PPTs , video links and other e – resources shared with you, answer the following questions.

1. What do you mean by the term production function?
2. Explain the relationship between Average Product (AP) and Marginal Product (MP). Use diagram.
3. Explain three stages of law of variable proportion (return to a factor) with the help of a diagram.
4. The following table gives total product (TP) schedule of Labour. Find average product(AP) and marginal product(MP)

Labour	0	1	2	3	4	5	6
TP of Labour (units	0	10	25	45	60	70	66

5. Identify the different output levels, which mark the three phases of the operation of the law of variable proportion, from the following table:

Units of variable factor	1	2	3	4	5	6
TP(units)	4	10	20	27	30	26

6. State the relation between Marginal Revenue and Average Revenue.
7. Why is Average Revenue always equal to price?
8. Give two examples of Variable Cost.
9. Give an example each of Fixed Cost and Variable Cost.
10. What is the behaviour of Average Fixed Cost as output is decreased?
11. Why is Average Total Cost greater than Average Variable Cost?
12. Complete the following table:

Output (units)	Average cost (AC)	Marginal cost (MC)
1	12	-
2	10	-
3	-	10
4	10.5	-
5	11	-
6	-	17

13. What is market supply of product?
14. A firm's revenue rises from Rs. 400 to Rs. 500 when the price of its product rises from Rs. 20 to Rs. 25 per unit. Calculate the price elasticity of supply.

15. A 15% rise in the price of a commodity raises its supply from 300 units to 345 units. Calculate its Price Elasticity of Supply.
16. What is increase in supply? State any two factors that can cause it.
17. Explain the factors affecting Elasticity of Supply.
18. The Price Elasticity of Supply of a good is 0.8. Its price rises by 50%. Calculate the percentage increase in its supply.
19. Price of commodity A is Rs 10 per unit and Total Revenue at this price is Rs 1600. When its price rises by 20%, Total Revenue increases by 1 Calculate its Price.
20. Total Revenue is Rs 400 when the price of the commodity is Rs 2 per unit. When price rises to Rs 3 per unit, the quantity supplied is 300 units. Calculate the Price Elasticity Of supply.