



INDIAN SCHOOL DARSAIT

DEPARTMENT OF COMMERCE



Subject : Economics	Topic : Cost	Date of Worksheet : _____
Resource Person: Ekta Gautam	Date of Submission: _____	
Name of the Student : _____	Class & Division : _____	Roll Number : ____

- | S.No. | | Marks | | | | | | | | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|----------------|---|---|---|-----------|----|----|----|
| 1. | Give meaning of cost. | 1 | | | | | | | | |
| 2. | Define total fixed cost. | 1 | | | | | | | | |
| 3. | What is meant by variable cost of a firm? | 1 | | | | | | | | |
| 4. | Why is average total cost greater than average variable cost? | 1 | | | | | | | | |
| 5. | Why is demand for water inelastic? | 1 | | | | | | | | |
| 6. | Why is perfectly elastic demand curve parallel x-axis? | 1 | | | | | | | | |
| 7. | Distinguish between variable cost and fixed cost. Give two examples of each. | 3 | | | | | | | | |
| 8. | Draw TVC, TC and TFC curves in a single diagram. | 3 | | | | | | | | |
| 9. | Explain the behavior of average fixed cost using numerical example. | 3 | | | | | | | | |
| 10. | Why is AC curve U-shaped? | 3 | | | | | | | | |
| 11. | What are the average fixed cost, average variable cost and average cost of a firm? How are they related? | 3 | | | | | | | | |
| 12. | State the distinction between explicit cost and implicit cost. Give an example of each. | 3 | | | | | | | | |
| 13. | An individual is both the owner and the manager of a shop taken on rent. Identify implicit cost and explicit cost from this information. Explain. | 3 | | | | | | | | |
| 14. | Given below is the cost schedule of a firm. Its average cost is Rs.20 when it produces 3 units. | 3 | | | | | | | | |
| <table border="1" style="margin: auto; border-collapse: collapse;"> <tr> <td style="padding: 5px;">Output (units)</td> <td style="padding: 5px;">1</td> <td style="padding: 5px;">2</td> <td style="padding: 5px;">3</td> </tr> <tr> <td style="padding: 5px;">AVC (Rs.)</td> <td style="padding: 5px;">30</td> <td style="padding: 5px;">28</td> <td style="padding: 5px;">32</td> </tr> </table> | | | Output (units) | 1 | 2 | 3 | AVC (Rs.) | 30 | 28 | 32 |
| Output (units) | 1 | 2 | 3 | | | | | | | |
| AVC (Rs.) | 30 | 28 | 32 | | | | | | | |
| 15. | A firm's fixed average cost of producing 2 units of a good is Rs. 9 and its total cost schedule is given below. Calculate average variable cost and marginal cost for each of given level of output. | 3 | | | | | | | | |

Output (units)	1	2	3
Total Cost (Rs.)	23	27	30

16. Complete the following table:

3

Output (Units)	Average Cost (Rs.)	Marginal Cost (Rs.)
1	12	-
2	10	-
3	-	10
4	10.5	-
5	11	-
6	-	17

17. Complete the following table:

3

Output (Units)	ATC (Rs.)	AVC (Rs.)	MC (Rs.)
1	54	30	30
2	-	24	-
3	-	-	24
4	33	-	-

18. Complete the following table:

4

Output (Units)	TVC (Rs.)	AVC (Rs.)	MC (Rs.)
1	10	----	---
-----	---	8	6
3	27	----	---
-----	-----	10	13