



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 |

Output (units)	1	2	3
AVC (Rs.)	30	28	32

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|--|---|
| 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 |
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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	----	---
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3	27	----	---
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