



# INDIAN SCHOOL DARSAIT DEPARTMENT OF COMMERCE



Subject : Economics	Topic : <b>Producer's Equilibrium</b>	Date of Worksheet : _____
Resource Person: Ekta Gautam		Date : _____
Name of the Student : _____	Class & Division : _____	Roll Number : _____

- | S.No. |   | Marks |
|-------|---|-------|
| 1.    | Explain the conditions of a producer's equilibrium in terms of Marginal cost and Marginal Revenue. Use diagram.   | 4     |
| 2.    | Explain the conditions of producer's equilibrium with the help of a numerical example. Use Marginal cost and Marginal revenue approach.                                     | 4     |
| 3.    | Why is the equality between marginal cost and marginal revenue necessary for a firm to be in equilibrium? Is it sufficient to ensure equilibrium? Explain.                  | 4     |
| 4.    | From the following data find out the level o output at which the producer is in equilibrium. Give reasons for your answer. Use marginal cost and marginal revenue approach. | 4     |

Output (units)	Total Revenue	Total Cost
1	12	14
2	24	26
3	36	36
4	48	48
5	60	62

5. Giving reasons find out the level of output at whih producer will be in equilibrium. Use Marginal Cost and Marginal Revenue approach. 4

Output (units)	Total Cost	Total Revenue
1	21	18
2	39	36
3	54	54
4	72	72
5	93	90

6. Given below is the cost schedule of a product produced by a firm. The market price per unit of the product at all levels of output is 12. Using marginal cost and marginal revenue approach, find out the level of equilibrium output. Give reasons for your answer? 6

Output (units)	1	2	3	4	5	6
Average Cost	12	11	10	10	10.4	11

7. Using marginal cost and marginal revenue approach, find out the level of output at which producer will be in equilibrium. Give reasons for your answer. 6

Output (units)	1	2	3	4	5	6
Average Revenue	20	20	20	20	20	20
Total cost	22	42	60	76	96	120