



# INDIAN SCHOOL DARSAIT DEPARTMENT OF COMMERCE



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

S.No.		Marks
1.	The total cost at 5 units of output is ₹30. The fixed cost is ₹5. The average variable cost at 5 units of output is: (a) ₹25    (b) ₹6    (c) ₹5    (d) ₹1	1
2.	What is meant by cost in economics?	1
3.	Give two examples of implicit cost of a firm.	1
4.	How does the total fixed cost changes when output changes?	1
5.	Why does average fixed cost fall with increase in output?	1
6.	What is the relation between average variable cost and average total cost, if total fixed cost is zero?	1
7.	What is the relation between marginal cost and average variable cost when marginal cost is rising and average variable cost is falling?	1
8.	State the distinction between explicit cost and implicit cost. Give an example of each.	3
9.	Distinguish between fixed cost and variable costs. Give two examples of each.	3
10.	A producer starts a business by investing his own savings and hiring the labour. Identify implicit and explicit costs from the information. Explain.	3
11.	A farmer takes a farm on rent and carries on farming with the help of his family members. Identify implicit and explicit costs from the information. Explain.	3
12.	What are total fixed cost, total variable cost and total cost of a firm? How are they related?	3
13.	Draw TVC, TC and TFC curves in a single diagram.	3

14. Draw average variable cost, average total cost and marginal cost curves in a single diagram. 3

15. Complete the following table: 3

Output (units)	Total Variable Cost	Average Variable Cost	Marginal Cost
1	90	-	30
2	-	27	-
3	-	-	27
4	180	30	-

16. Complete the following table: 3

Output (units)	Total Variable Cost	Average Variable Cost	Marginal Cost
1	10	-	-
-	-	8	6
3	27	-	-
-	-	10	13

17. Complete the following table: 3

Output (units)	Marginal cost	Average Cost	Average variable Cost	Average Fixed Cost
1	-	70	40	-
2	30	-	-	-
3	-	-	30	-
4	30	-	-	7.5
5	-	-	32	6

18. Calculate marginal cost at each level of output: 3

Output (units)	1	2	3	4	5	6
Average Variable Cost	13	11	10	10	11	12

19. Calculate average variable cost at each level of output: 3

Output (units)	1	2	3	4	5	6
Marginal Cost	13	9	8	10	15	17

20. Given below is the cost schedule of a firm. Its average fixed cost is 20 when it produces 3 units. 4

Output (units)	1	2	3
Average Variable Cost	30	28	32

21. Calculate Total cost and average variable cost of a firm at each given level of output from its cost schedule: 4

Output (units)	1	2	3	4	5	6
Average Fixed Cost	60	30	20	15	12	10
Marginal Cost	32	30	28	30	35	43

22. Complete the following table: 4

Output (units)	Marginal cost	Average Cost	Average variable Cost	Average Fixed Cost
1	-	140	-	-
2	-	-	45	-
3	45	-	-	30
4	-	-	48	22.5
5	-	-	52	18