ST. LAWRENCE HIGH SCHOOL

A Jesuit Christian minority Institution

Subject: Economics Class- XI **Date:03/08/2020**

Worksheet-28

Chapter- Demand , supply , market and price

Topic- Total cost, average cost, marginal cost and their relation

1. Choose the correct alternative. 1x15=15
   a) Average fixed cost can be expressed as i) total cost/total out put ii) total variable cost/ total output iii) total fixed cost/ total output iv) none of these
   b) With the increase in output level, average fixed cost will i) decrease ii) remain same iii) increase iv) none of these
   c) Marginal cost refers to i) additional fixed cost of producing one extra unit of output ii) additional total cost of producing one extra unit of output iii) variable cost/total output iv) none of these
   d)

Total output	Total fixed cost (rs)	Total variable cost(rs)	Total cost(rs)
0	120	0	120
1	120	20	140
2	120	30	150
3	120	36	156
4	120	48	168
5	120	65	185
6	120	84	204

   From the above table find out average variable cost for second unit.
   i) Rs 20 ii) Rs 10 iii) Rs 15 iv) none of these
   e) From the above table find out average fixed cost for the 3rd unit.
   i) Rs 4 0 ii) Rs 25 iii) Rs 30 iv) none of these
   f) With the increase in output total cost i) increases at a increasing rate ii) increases at a decreasing rate at the beginning after certain point it starts

increasing at a increasing rate iii) increases at a decreasing rate iv) none of these

g) With the increase in output average cost i) increases ii) increases initially after certain point decreases iii) decreases initially , after certain point it increases iv) none of these

h) From the above table find out for which unit of outputs, average variable costs are same i) second and third unit ii) third and fourth unit iii) fourth and fifth unit iv) none of these

i) From the above table find out , what is the marginal cost for the 4^{th} unit of output i) Rs 10 ii) Rs12 iii) Rs15 iv) none of these

j) From the above table find out the level of output where marginal cost is minimum . i) 3^{rd} unit of output ii) 4^{th} unit of output iii) 5^{th} unit of output iv) none of these

k) When average variable cost is decreasing it implies i) marginal cost is greater than average variable cost ii) marginal cost is less than average variable cost iii) marginal cost is equal to average variable cost iv) none of these

l) When average cost is stationary, it implies i) marginal cost < average cost ii) marginal cost > average cost iii) marginal cost = average cost iv) none of these

m) From the above table find out for which unit of output AVC is equal to MC i) 3^{rd} unit ii) 2^{nd} unit iii) 4^{th} unit iv) none of these

n) When average cost increases , it implies i) increasing marginal cost ii) MC >AC iii) MC<AC iv) decreasing marginal cost

o) At minimum point of Average variable cost i) MC=AVC ii) MC>AVC iii) MC<AVC iv) none of these

AparajitaMondal