



**Economics**

**Cost, Revenue and Production Function**

**Name:**

**Class : 12**

**Date:**

**Marks: 10**

Revise the Cost, Production function and Revenue from your textbook. You need to focus specially on drawing accurate diagrams and understanding the relationship between the different curves. After that, you need to work on this assignment. You could take a print out of this sheet or answer these in your question bank notebooks. Please submit this on the 8<sup>th</sup> of July, 2009.

Read these statements and state if they are true or false. Give reasons for your answers.

1. When there are diminishing returns to a factor, total product always decreases.

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2. AC is minimum when MC is at its lowest point.

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3. AFC is constant for all levels of output because fixed costs never change

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4. TPP increases only when MPP increases.

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5. AC increases whenever MC is rising.

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6. AVC increases at an increasing rate always.

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7. Whenever MPP is falling, APP also falls.

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8. In a perfectly competitive market, MR falls faster than AR.

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9. When MR is zero AR will be constant.

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10. MR is always the price at which the last unit of the commodity is sold.

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## **Economics**

### **Government Budget**

**Name:**

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A government's budget is a statement showing item wise estimated receipts and expenditure of the government under various heads during a given year.

The budget for the remaining part of this fiscal year will be presented on the 6<sup>th</sup> of July, 2009 by the finance minister, Mr. Pranab Mukherjee. After it is released, read any newspaper or watch the news to understand the highlights of this year's budget. Then, analyse it and give your viewpoints keeping the following in mind:

1. How do you think it will affect the "aam aadmi?"
2. What it means for different people in the economy-farmers, industrialists, professionals and students like you?
3. What will be the impact on the fiscal deficit of India?
4. As a student, what do you like about the budget and what do you dislike?

Answer this in at least 100 words in your question bank notebooks and submit it on the 8<sup>th</sup> of July, 2009.