Economics assignment

Class- X1 commerce

1. **Why does average fixed cost fall with increase in output?**
2. **Why is total fixed cost curve parallel to ox-axis.**
3. **Explain the likely behaviour of total product under the stage of increasing return to a factor with the help of numerical example.**
4. **With the help of example distinguish between total fixed cost and total variable cost**
5. **Explain Relationship between Marginal cost and average cost**
6. **Assertion (A):** Average Cost will rise only when Marginal Cost rises.
   Reason (R): Rise in AC takes place when MC is greater than AC and not necessarily when MC rises.
    a. Both A and R are true and R is the correct explanation of A.
    b. Both A and R are true but R is not the correct explanation of A.
    c. A is true but R is false.
    d. A is false but R is true.

7. Fill in the blanks:

    e. Cost = Explicit cost + _____
    f. Expenditure incurred by the producer on the purchase of inputs from the market leads to _____. (Explicit cost, Implicit cost)

8. Complete the following table:

Units of Labour	Average Product (Units)	Marginal Product (Units)
1	8	-
2	10	-

3	-	10
4	9	
5	-	4
6	7	-