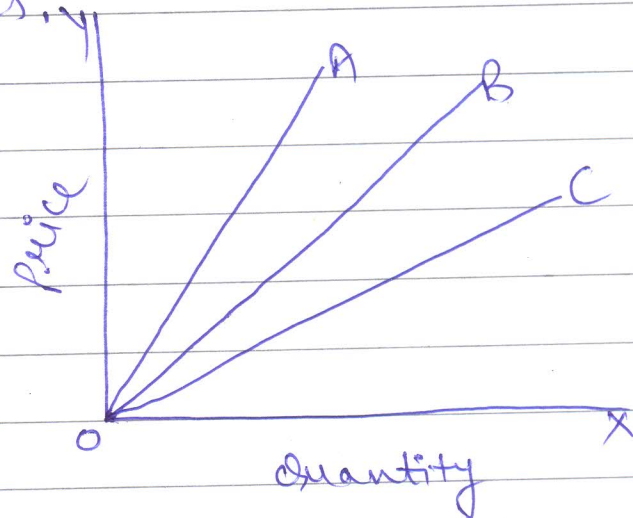


1. when will PPC be a straight line, concave and convex to the origin?
2. what will be the effect of 'demonetisation' announced by the Government of India on the PPC of India? Give your reason. Use diagram.
3. Rahul consumes two goods X and Y whose prices are ₹ 8 and ₹ 12 per unit respectively. Is he in equilibrium when $MU_x = 3$ and $MU_y = 2$. Explain.
4. Explain with the help of a numerical example, the meaning of diminishing marginal rate of substitution.
5. why more of a good is purchased when its price falls?
6. By spending his entire income only on two goods X and Y, a consumer finds that

$$\frac{MU_x}{P_x} < \frac{MU_y}{P_y}$$
 Explain how will the consumer react.
7. when the price of a good rises from ₹ 10 per unit to ₹ 12 per unit, its quantity demanded falls by 20%. Calculate its price elasticity of demand. How much would be the percentage change in its quantity demanded, if the price rises from ₹ 10 per unit to ₹ 13 per unit?
8. Define market supply. Explain the factor 'input prices' that can cause a change in supply.

9. A consumer buys 18 units of a good at a price of ₹ 9 per unit. The price elasticity of demand for the good is -1 . How many units the consumer will buy at a price of ₹ 10 per unit? Calculate.
10. The market price of a good changes from ₹ 5 to ₹ 20. As a result, the quantity supplied by a firm increases by 15 units. The price elasticity of the firm's supply curve is 0.5. Find the initial and final output levels of the firm.
11. Distinguish between increase in quantity supplied and increase in supply.
12. The following diagram shows the supply curve of three commodities. Rank their price elasticities.



13. Give the behaviour of marginal product and total product as more and more units of only one input are employed while keeping other inputs as constant.

14. Giving reasons, state whether the following statements are true or false :-

- (i) Average product will increase only when marginal product increases.
- (ii) Under diminishing returns to a factor, total product continues to increase till marginal product reaches zero.

15. Complete the following table :-

Units of Labour	AP (units)	MP (units)
1	16	—
2	20	—
3	—	20
4	18	—
5	—	8
6	14	—

Note :-

1. Revise all the syllabus done in the class.
2. Last date of submission of holidays homework is 4.7.17.