



Department of Education, Sabaragamuwa/weekly school

week- August 2

Subject-Economics

Grade-12

Prepared by -
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1. Explain the concepts of Accounting Profit, Economic Profit and Normal Profit.
2. Show how the law of diminishing marginal returns and the law of decreasing returns to scale affect the cost of a firm.
3. What is meant by economies of scale? Which factors generate them?
4. Explain graphically, what is the minimum price required for a perfectly competitive firm to continue in production in the short run?
5. Which factors affect a market to be competitive ? Explain.