Department of Education,Sabaragamuwa/weekly school

week- December 4

Subject-Economics

Prepared by -
Zonal Education Office,Rathnapura.

Grade-12

1. Distinguish between explicit (direct) costs and implicit (indirect) costs giving examples of each.

2. Why do economists regard normal profit as a cost?

3. Name the four types of market structures.

4. What is the rule of profit maximization?How can this rule be restated when the firm is a price-taker?

5. Suppose a price-taking firm,in a given short period,produces 20 units of output.The market price of its output equals Rs.50 per unit.At 20 units of output,average total cost equals Rs.60 and average variable cost equals Rs.40.

   (a) How much profit or loss does this firm make in the given short period?

   (b) How much is the total fixed cost of the firm?