ECONOMICS

BOOKS - FULL MARKS ECONOMICS (HINGLISH)

REVENUE

Ncert Textbook Questions Solved

1. How are the total revenue of a firm, market price and the quantity sold by the firm related

to each other ?

2. Compute the total revenue, maarginal revenue and average revenue schedules in following table. Market price of each unit of good is $10 rs.$

3. What would be the shape of the demand curve so that the total revenue curve is

(a) A positively sloped straight line passing through the origin ?

(b) A horizontal line ?

4. Comment on the shape of the MR curve in case the TR curve is a

(i) positively sloped straight line,

(ii) horizontal straight line

5. From the schedule provided below calculate the total revenue, demand curve and the price elasticity of demand

6. Give the meaning of revenue

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7. Define revenue

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8. Define total revenue.

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9. Define average revenue.

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10. Define marginal revenue.

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11. How is MR derived from TR ?

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12. What change in TR will result in a decrease in MR ?

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13. When TR falls, what happens to MR ?

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14. How does TR change with the output when MR is zero ?

15. What is the behaviour of average revenue in a market in which a firm can sell more only by lowering the price ?

16. What is the behaviour of Marginal Revenue in a market in which a firm can sell any

quantity of the output it produces at a given price ?

17. Assume that when price is $20rs$ the quantity demanded is 9 units and when price is $19rs$, the quantity demanded is 10 units. Based on this information what is the marginal revenue resulting from an increase in output from 9 units to 10 units.

A. $20rs$

B. $19rs$

C. $10rs$

D. $1rs$

Answer: (c)

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18. Assume that when price is $20rs$ the quantity demanded is 15 units and when price is $20rs$, the quantity demanded is 15 units and when price is $18rs$ the quantity demanded is

16 units. Based on this information what is the marginal revenue resulting from ann increase in output from 15 units to 16 units ?

A. $18rs$

B. $16rs$

C. $12rs$

D. $28rs$

Answer: (c)

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19. Marginal Revenue is equal to

A. The change in price divided by the change in output

B. The change in quantity divided by the change in price

C. The change in $P \times Q$ due to a one unit change in output

D. Price, but only if the firm is a price searcher

Answer: (c)

20. Total revenue=

    A. Price $\times$ quantity

    B. Price $\times$ income

    C. Income $\times$ quantity

    D. None of these

Answer: (a)

21. Average revenue is the revenue earned........

    A. per unit of input

    B. per unit of output

    C. different units of input

    D. different units of output

Answer: (b)

22. AR can be symbolically written as

A. MR/Q

B. Price $\times$ quantity

C. TR/Q

D. None of these

Answer: (c)

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23. AR is also known as :

A. Price

B. Income

C. Revenue

D. None of these

Answer: (a)

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24. Marginal revenue can be defined as the change in total revenue resulting from

A. purchase of an additional unit of a commodity

B. sale of an additional unit of a commodity

C. sale of subsequent units of a product

D. None of these

Answer: (b)

25. When price remains constant at all level of output, total revenue

    A. increase at increasing rate

    B. increases at diminishing rate

    C. increases at constant rate

    D. None of these

Answer: (c)

26. How does TR change with output when MR is negative ?

    A. TR falls with the increase in output

    B. TR rise with the increase in output

    C. TR falls with the decrease in output

    D. None of these

Answer: (a)

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27. Average revenue curve is also known as :

A. Profit Curve

B. Demand Curve

C. Average Cost Curve

D. Indifference Curve

Answer: (b)

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28. Calculate Average Revenue (AR) and Marginal Revenue (MR).

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29. Calculate TR and MR from the following data.

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30. Calculate TR and MR from the following data.

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31. Complete the following table.

▶ View Text Solution

32. Complete the following table.

▶ View Text Solution

33. Complete the following table.

▶ View Text Solution

34. Complete the following table.

▶ View Text Solution

35. Complete the following table.

▶ View Text Solution

36. Complete the following table

▶ View Text Solution

37. Calculate TR, MR and AR.

▶ View Text Solution

38. Calculate TR, AR and MR.

▶ View Text Solution

39. Complete the following table :

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40. A seller sells 3 diamond rings of $15000rs$ each. If a seller sells his 4th diamond ring, his MR becomes $13500rs$. Calculate the price at which the seller sells his fourth ring.

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41. Explain the relation between marginal revenue and average revenue when a firm is able to sell more quantity of output : (i) at the same price. (ii) Only by lowering the price

42. What changes will take place in MR, when

(i) TR increases at an increasing rate.

(ii) TR increases at a diminishing rate.

(iii) TR increases at a constant rate.

43. What change in total revenue will result in

(i) a decrease in marginal revenue, and (ii) an

increase in marginal revenue ?

44. What is revenue of a firm ? Give meaning of average revenue and marginal revenue. What happens to average revenue when marginal revenue is : (i) Greater than average revenue , (ii) equal to average revenue , (iii) less than average revenue ?

45. When marginal revenu is zero, average revenue will be constant.

46. Marginal revenue is always the price at which the last unit of a commodity is sold.

47. When total revenue is maximum and constant marginal revenue is also maximum

48. When marginal revenue is positive and constant, both average and total revenue will increase at constant rate.

49. When total revenue is constant, average revenue will also be constant.

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50. When marginal revenue falls to zero, average revenue becomes maximum

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51. Can Average revenue be zero.

52. Can Average revenue be negative.

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53. Can Marginal revenue be zero.

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54. Can Marginal revenue be negative.

55. When is price (AR) different from MR ?

56. Comment on the shape of the MR curve in case the TR curve is a horizontal straight line.

57. Show that AR curve and demand curve are the same.

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58. Calculate TR, AR and MR from the following data.

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59. Complete the following table :

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60. Calulate TR, AR and MR from the following data .

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61. A manager of zoo wants to increase the revenue, which measure is more appropriate when, $ED > 1$

(i) Increase the entry fee

(ii) Decrease the entry fee. Explain ?

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62. Database of Maruti Suzuki Co. got damged in an accidental fire. The management attampted to imagine data. The following

table emerged after brainstorming sessions between company execitives and consulatants . Is this data correct ?

63. Since price of a commodity forms average revenue for a firm, both average revenue and marginal revenue cannot be negative. Is this rule ?

64. The demand function of a commodity x is $Q_x = 12 - P_x$ (where $Q_x =$ the quantity demanded of a commodity x and $P_x =$ price of the commodity x). Derive the TR and MR schedules when the price of commodity varies from $12rs$ to $1rs$.

65. What is the relationship between TR and Price line when price is constant ?