Assignment 8

The due date for submitting this assignment has passed. As per our records you have not submitted this assignment.

Due on 2020-03-25, 23:59 IST.

1) If leisure is an inferior good, the individual’s supply curve for labour is
   
   - completely inelastic
   - upward sloping.
   - perfectly elastic.
   
   No, the answer is incorrect.
   Score: 0
   Accepted Answers:
   upward sloping.

2) A firm produces a product in a competitive industry and has a total cost function $TC = 50 + 4q^2 + 2q^2$. At given market price $P$, the firm is producing $Q$ units of output. Is the firm maximizing profit?
   
   - Yes
   - No
   
   No, the answer is incorrect.
   Score: 0
   Accepted Answers:

3) Following from question no. 2, what quantity of output should the firm produce in the long run?
   
   - 18
   - 20
   
   No, the answer is incorrect.
   Score: 0
   Accepted Answers:

4) Assume the market for bread is perfectly competitive. The market supply and demand curves for tortillas are given as follows:

   Supply curve: $P = 0.000002Q$
   Demand curve: $P = 1 - 0.000002Q$

   The short run marginal cost curve for typical bread factory is: $MC = 0.1 + 0.000009q$, where $q$ is the output for an individual firm, and $Q$ is the market output. Determine the equilibrium price for bread.

   - 2
   - 3
   - 1
   
   No, the answer is incorrect.
   Score: 0
   Accepted Answers:

5) Following from question 4, Determine the profit maximizing short run equilibrium level of output for a bread factory.

   - 2000
   - 1000
   - 500
   
   No, the answer is incorrect.
   Score: 0
   Accepted Answers:

6) Following from question 4, assume that all of the bread factories are identical, how many bread factories are producing bread?

   - 1000
   - 500
   - 5000
   
   No, the answer is incorrect.
   Score: 0
   Accepted Answers: 1000