

# Unit 3 - WEEK 2: Elasticities of Demand and Supply and Theories of Production.

## Course outline

### How to access the portal

#### Week

1:Introduction,Consumer Behaviour, Demand and Supply

#### WEEK 2: Elasticities of Demand and Supply and Theories of Production.

Lecture 8

Lecture 9

Lecture 10

Lecture 11

Lecture 12

Lecture 13

Lecture 14

**Quiz : Week 2 Assignment**

Solutions for assignment-2

Feedback For Week 2

#### WEEK 3: Theories of Cost and Grossman's Demand for Healthcare

#### WEEK4: Market Imperfections, Healthcare Financing

#### WEEK 5: Health Insurance

#### WEEK 6:Impact Evaluation, Social Determinants of Health

#### WEEK 7:Economic Externalities, Public and Private Goods

#### Week8: Population, Health and Development

#### Additional Reading Materials

#### Week 0

#### Correct solutions for reevaluated assignments

## Week 2 Assignment

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

**Due on 2019-08-21, 23:59 IST.**

1) Price elasticity (e) of demand for substitute goods is

1 point

- e=1  
 e=0  
 e<0  
 e>0

No, the answer is incorrect.  
Score: 0

Accepted Answers:  
e>0

2) The price elasticity of demand is a negative number this means

1 point

- Demand is price elastic  
 Demand is price inelastic  
 The demand curve is downward sloping  
 An increase in income will reduce the quantity demanded

No, the answer is incorrect.  
Score: 0

Accepted Answers:  
Demand is price inelastic

3) If income increases from Rs. 10,000 to Rs. 15,000 and consumption of cold drinks rises from 15 to 20 units then this is an example of

1 point

- Income elasticity of demand  
 Income inelasticity of demand  
 Price elasticity of demand

No, the answer is incorrect.  
Score: 0

Accepted Answers:  
Income inelasticity of demand

4) The marginal product curve is above the average product curve when the average product is

1 point

- Increasing  
 Decreasing  
 Maximum

No, the answer is incorrect.  
Score: 0

Accepted Answers:  
Increasing

5) Average product reaches its maximum when

1 point

- marginal cost is infinitely large  
 there are increasing returns to scale  
 it is equal to marginal product  
 it is always less than marginal product  
 marginal product is zero

No, the answer is incorrect.  
Score: 0

Accepted Answers:  
it is equal to marginal product

6) Diminishing marginal returns implies

1 point

- Decreasing average variable costs  
 Decreasing marginal costs  
 Increasing marginal costs  
 Decreasing average fixed costs

No, the answer is incorrect.  
Score: 0

Accepted Answers:  
Increasing marginal costs

7) According to the theory of co-production of healthcare which are the factors of production

1 point

- Patients  
 Professionals  
 Healthcare system  
 All of the above  
 A & B

No, the answer is incorrect.  
Score: 0

Accepted Answers:  
All of the above

8) Production function assumes (identify the correct characteristics)

1 point

- There are only two inputs  
 Technology may vary during a specific time  
 It should be specific to either short run or long run  
 None of the above

No, the answer is incorrect.  
Score: 0

Accepted Answers:  
It should be specific to either short run or long run

9) The combination of inputs is optimal at points of tangency between isoquants and isocosts

1 point

- if the marginal revenue product is equal to the marginal resource cost for all inputs  
 if the marginal rate of technical substitution between every pair of inputs is equal to the ratio of the prices of those inputs  
 All of the above are correct

No, the answer is incorrect.  
Score: 0

Accepted Answers:  
All of the above are correct

10) During increasing returns to scale

0 points

- Isoquants move closer to each other  
 Isoquants are equidistant  
 Isoquants come closer to each other

No, the answer is incorrect.  
Score: 0

Accepted Answers:  
Isoquants come closer to each other

11) An isocost line will be shifted further away from the origin

1 point

- if the prices of both inputs increase  
 if total cost increases  
 if there is an advance in technology  
 All of the above are correct

No, the answer is incorrect.  
Score: 0

Accepted Answers:  
if total cost increases