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ECO404 Current midterm Paper Attempted and Composed by Ulfat Abbas Jafery

Paper

1- what are fixed input and variable inputs? Gives examples 3marks

2- Marginal revenue of coffee is Rs. 90 and price elasticity of demand is 0.50. find price of coffee? 3marks

3- Define degree of operating leverage? Support your answer with the help of formula 3marks

4- find marginal revenue of product of labor.

Capital	Labor	Total revenue of product of labor
400	0	0
400	10	70
400	20	90.7
400	30	96

400	40	102.2
400	50	105.3

5marks

5- Define cost elasticity? How it determine? What is relation between cost elasticity and economy of scale 5marks