

Subject	Home Work	Instructions
English	Read the Novel "Invisible Man". Write its summary in your own language. Write a character sketch on your favourite character in 150 words. Revise The Last Lesson, Lost Spring, Tiger King	Please attempt the assignment in your literature note book.
Maths	1) Assignment of Inverse Trigo functions. 2) Assignment of Matrices and Determinants 3) Assignment of Derivatives	
Accountancy	<u>Part – I</u> Partnership – Chapter 1 (Fundamental of Partnership assignment) <u>Part – III</u> Analysis of Financial Statement – 5 cash flou, 4 Ratio analysis Project work assignment	Do assignment work in fair notebook.  Complete project file
B. Studies	1) Revise chapter 1,2,3 and 11 2) Do assignment of all the chapter in note book. 3) Complete project work on any two topics as assigned in class	Assignment given to the students through e-mail
Economics	To do assignment given on the topic "consumer's Equilibrium – Utility Analysis & Indifference curve Analysis	To be done in class register
Phy. Edu	Ch: 1 – 3. Viva after holidays Assignment for Ch – 1 planning in sports practical file	Do in a A – 4 size sheet. Do in a Practical File

# CLASS XI/TH

## ECONOMICS ASSIGNMENT (HHW)

### CHAPTER - II CONSUMER'S EQUILIBRIUM

Q1. The bundles that the consumer can purchase by spending his entire money income at given prices is represented by (a) budget line (b) budget set (c) consumption bundle (d) none

Q2. Slope of budget line is

- (a) MOC (b) MRE (c) MRS (d) none of these

Q3. An indifference curve is -

- (a) Convex to the origin (b) Concave to the origin (c) a straight line curve (d) none of these

Q4. An indifference schedule represents various bundles that give \_\_\_\_\_ level of satisfaction.

- (a) Unequal (b) equal (c) zero (d) none of these

Q5. If a consumer has monotonic preferences, which bundle would be preferred by him?

- (a) (12, 8) (b) (12, 12) (c) (10, 6) (d) (8, 12)

Q6. The equation of budget line is -

- (a)  $P_1 x_1 + P_2 x_2 = M$  (b)  $P_1 x_1 + P_2 x_2 \leq M$   
(c)  $P_1 x_1 + P_2 x_2 \geq M$  (d) None of these

Q7. Indifference curves are convex to the origin because of

- (a) Increasing MRS (b) Diminishing MRS (c) Law of DMU  
(d) Law of Equi-marginal utility

Q8. According to the law of Diminishing marginal utility, Satisfaction obtained from consumption of each successive unit :-



a) Increase (b) Decreases (c) Remains same (d) None of the

Q9. Indifference map refers to:

(a) highest indifference curve (b) lowest indifference curve  
(c) family to indifference curves (d) None of these.

Q10. Which of these is a condition for consumer's equilibrium by indifference curve analysis?

a)  $MU_x = P_x$  b)  $\frac{MU_x}{P_x} = \frac{MU_y}{P_y}$  c)  $MRS_x = \frac{P_x}{P_y}$  d)  $MU_x = MU_y$

Q11. The necessary condition under utility approach to attain consumer's equilibrium in case of two commodity is

a)  $\frac{MU_x}{P_x} = \frac{MU_y}{P_y}$  b)  $MRS_x = \frac{P_x}{P_y}$  c)  $MU_x = P_x$  d) None of the

Q12. If  $\frac{MU_x}{P_x} > \frac{MU_y}{P_y}$ , then to reach the equilibrium position

consumer should:-

a) stop buying any commodity b) Buy both the commodities in eqi-  
c) Buy more of X & less of Y d) Buy more of Y & less of X

Q13. In case of single commodity, consumer equilibrium is achieved when:

a)  $MU_x > P_x$  b)  $MU_x < P_x$  c)  $MU_x \neq P_x$  d)  $MU_x = P_x$

Q14.

measures slope of indifference curve:

(a) Budget line (b) Marginal rate of substitution  
(c) Marginal rate of transformation (d) None of these

Q15. In the following diagram of budget line, point 'D' represents:

a) Bundle which cost equal to money income of consumer  
b) Bundle which cost less than money income of consumer  
c) Bundle which cost more than money income of consumer  
d) None of these



Q16. The consumer will be in equilibrium where there is tangency between price line & indifference curve because at this point:

- (a)  $MRS = \text{Price ratio}$  (b)  $MRS > \text{Price ratio}$   
 (c)  $MRS < \text{Price ratio}$  (d) None of these

Q17. For consumer's equilibrium to be stable (2<sup>nd</sup> condition) the requirement is:

- (a) constant MRS (b) Increasing MRS (c) Diminishing MRS  
 (d) None of these

Q18. Marginal utility is:

- (a) always positive (b) is always negative  
 (c) can be positive or negative but not zero  
 (d) can be positive or negative or zero

Q19. MUx of X is 40 and MUy of Y is 30. If the price of Y is ₹ 9, then price of X at equilibrium will be:

- (a) ₹ 9 (b) ₹ 30 (c) ₹ 15 (d) ₹ 12

Q20. The farther the indifference curve is from the origin, then:

- (a) Higher is the satisfaction level  
 (b) Lower is the satisfaction level  
 (c) same satisfaction level will be obtained  
 (d) Nothing can be said about satisfaction



# Assignment - 3

CLASS - XI<sup>TH</sup> (ECONOMICS)

TOPIC - CONSUMER'S EQUILIBRIUM

## Numericals:-

I Based on TU & MU

Q1. Derive MU from Total Utility Schedule given below.

Units	1	2	3	4	5	6
TU	40	70	90	100	100	80

Q2. An individual's MU schedule is given below. Derive total utility from it.

Units	1	2	3	4	5	6
MU	16	12	10	8	0	-4

Based on Consumer Equilibrium

Let price of a commodity X be ₹ 10. Marginal utility (in term of money) for 5 units is given as

Units	1	2	3	4	5
MU <sub>X</sub> (₹)	16	10	4	2	1

How many units should a consumer purchase, so that his satisfaction is maximum?

Q4. Utility schedule of a consumer is given as:

Units	1	2	3	4	5
MU	18	15	8	6	4

If the given commodity is sold for ₹ 4 & MU of (money) (i.e.  $MUM = 2$  utils) how many units will a consumer buy to maximise his satisfaction.

Q5. Following is the MU schedule for goods X & Y. Both the goods are priced at ₹ 1 and money income of an individual is ₹ 5. How many units of both commodities should he purchase to maximise his total utility?

Units -	1	2	3	4	5	6
MU <sub>X</sub> -	11	10	9	8	7	6
MU <sub>Y</sub> -	8	7	6	4	3	2

Q6. The MU schedule for goods A & B is given. Price of both the goods is ₹ 1 each and income of Mr. Narendra is assumed to be ₹ 6. How many units of both the goods should be

purchased by him so that his total utility is maximised?

Units	1	2	3	4	5	6
MUA	14	12	10	6	4	2
MUB	13	12	10	3	2	1

Based on Budget Line:-

- Q7. Suppose a consumer can buy 6 units of good A & 2 units of good B when he spends his entire income. Price of good A is ₹10 and that of B good is ₹8. Calculate money income of consumer.
- Q8. Let there be three bundles containing good X & good Y; Bundle (20, 10); Bundle (20, 20) & Bundle (8, 20). If a consumer has monotonic preferences, which bundle will be preferred by him?
- Q9. A consumer has monotonic preferences, Rank her preferences (10, 10), (9, 9) & (10, 9)
- Q10. Given  $P_x = ₹10$  &  $P_y = ₹40$ , find consumer equilibrium from
- |                 |     |     |     |     |
|-----------------|-----|-----|-----|-----|
| MU <sub>x</sub> | 100 | 80  | 60  | 50  |
| MU <sub>y</sub> | 300 | 280 | 240 | 200 |
- Q11. Suppose, burgers sell for ₹10 each. Shubham has already eaten 5 burgers. His marginal utility of one rupee (MUM) is 5, should he consume more or stop? Given that  $MU = 50$  utils.
- Q12. A consumer consumes only two goods X & Y, both priced at ₹2 per unit. If a consumer chooses a combination of two goods X and Y, with Marginal Rate of Substitution equal to 2, is the consumer in equilibrium? Why or why not? What will a rational consumer do in this situation? Explain!