ECO404 Current midterm Paper Composed by Ulfat Abbas Jafery

Paper

1- Define economies of scope. Why it is important for firms? 3marks

2- Define output elasticity. Suppose percentage change in output is 90% as a result of 60% change in input. Calculate output elasticity? 3marks

3- Calculate Income Elasticity of Quantity demanded from the following given information. 3marks

Income Y	Quantity demanded Q
12000	100
15000	115

4- you have given the following information of firm

Total fixed cost = Rs. 250

Price level = Rs.15

Average variable cost = Rs.5

Targeted profit = Rs.150

Calculate breakeven point output and the targeted level of output. 5marks

5- Given Production function is Q=f(L,K). (in question they were asking about marginal revenue and marginal cost). I don't exactly remember the wordings of question. 5marks