**Microeconomics II Assignment II 17.02.2022**

1. (a) Assume that a firm carries out production by employing only one factor of production, labour. The factor is available in abundance at a stable price. To produce Q units of output, the firm employs L units of labour at price . Obtain expressions for AVC and MC in terms of average and marginal products of labour. 4
2. “For the Cobb-Douglas production function isoquants are downward sloping and convex to the origin.” Prove or disprove the statement. 6