



19. Calculate the total revenue, marginal revenue and average revenue schedules in the following table. Market price of each unit of the good is Rs 10.

Quantity Sold	TR	MR	AR
0			
1			
2			
3			
4			
5			
6			

Ans:

Quantity Sold	$TR = P \times Q$	$MR = TR_n - TR_{n-1}$	AR = 10
0	-	-	-
1	$10 \times 1 = 10$	$10 - 0 = 10$	10
2	$10 \times 2 = 20$	$20 - 10 = 10$	10
3	$10 \times 3 = 30$	$30 - 20 = 10$	10
4	$10 \times 4 = 40$	$40 - 30 = 10$	10
5	$10 \times 5 = 50$	$50 - 40 = 10$	10
6	$10 \times 6 = 60$	$60 - 50 = 10$	10

20. The following table shows the total revenue and total cost schedules of a competitive firm. Calculate the profit at each output level. Determine also the market price of the good.

Quantity Sold	TR	TC	Profit
0	0	5	
1	5	7	
2	10	10	
3	15	12	
4	20	15	
5	25	23	
6	30	33	
7	35	40	

Ans:

Quantity Sold	TR	TC	Profit	$AR = \frac{TR}{Q}$
0	0	5	$0 - 5 = -5$	-
1	5	7	$5 - 7 = -2$	$\frac{5}{1} = 5$
2	10	10	$10 - 10 = 0$	$\frac{10}{2} = 5$
3	15	12	$15 - 12 = 3$	$\frac{15}{3} = 5$
4	20	15	$20 - 15 = 5$	$\frac{20}{4} = 5$
5	25	23	$25 - 23 = 2$	$\frac{25}{5} = 5$
6	30	33	$30 - 33 = -3$	$\frac{30}{6} = 5$
7	35	40	$35 - 40 = -5$	$\frac{35}{7} = 5$

\*\*\*\*\* END \*\*\*\*\*

