

## **SUMMER HOLIDAY HOMEWORK (2018-19)**

**CLASS: XII- D & E**

**SUB: ECONOMICS**

### Chapter: Consumer's Equilibrium

1. Explain the law of diminishing marginal utility with suitable example and diagram.
2. Explain determination of consumer's equilibrium in case of single commodity.
3. Explain determination of consumer's equilibrium in case of two commodity.
4. Explain the conditions of consumer's equilibrium under indifference curve approach.
5. Given market price of a good, how does a consumer decides as to how many units of that good to buy?
6. Consumer consumes only two goods 'X' and 'Y' at a consumption level of these goods, he finds the ratio of marginal utility to the price in case of X commodity is higher than in case of Y. Explain the reaction of the consumer.
7. Explain the meaning of diminishing MRS with the help of a numerical example.
8. Explain the properties of indifference curve.
9. A consumer consumes two goods X and Y. MU of X and Y are 3 and 4 respectively. Prices of X and Y are Rs. 4 per unit. Is consumer in equilibrium? What will be the further reaction of the consumer? Give reasons.

### Extra Activities

10. Identify minimum three policies of the govt initiated in the last year and how it will affect the production possibility curve. Explain it with the help of suitable diagram.
11. Solve the questions of previous five board exam question papers of chapter 1 and 2.
12. Prepare the project file on any one topic suggested as per guidelines.