

## Production, Revenues, Costs and Profits

What is the long run?	
What is the short run?	
What is the most commonly fixed factor in the short run?	
What is product?	
What is productivity?	
What is average product?	
What is marginal product?	
What is the law of diminishing marginal productivity?	
Why is total product maximised a marginal product crosses zero?	
Why does $MP=AP$ at AP's turning point?	
What are fixed costs?	
What are sunk costs?	
What are variable costs?	
What are total costs?	
What are total variable costs?	
What are total variable costs?	
What are average (total) costs?	

What are average fixed costs?	
What are average variable costs?	
What is marginal cost?	
How do Economists and Accountants differ in their approach to costs?	
Which costs are only relevant in the short run and why?	
Why does $MFC=0$ ?	
Explain why $MVC=MTC$ ?	
Describe the shape of the TC curve?	
Describe the relationship between the TC curve and the TVC curve?	
Describe the shape of a typical MC curve?	
Describe the shape of a typical AC curve?	
Why are TC and TVC parallel?	
Why does MC cross AC at ACs turning point/.	
What is the long run?	
What is the short run?	
The concept of returns to scale concerns the relationship between which two variables?	

What is meant by 'constant returns to scale'?	
What is meant by 'decreasing returns to scale'?	
What is meant by 'increasing returns to scale'?	
The concept of Economies of scale concerns the relationship between which two variables?	
What are economies of scale?	
What are diseconomies of scale?	
Name 3 types of economies of scale	
What are internal economies of scale?	
What are external economies of scale?	
What are financial economies of scale?	
What are technical economies of scale?	
What network economies of scale?	
What are marketing economies of scale?	
What are purchasing economies of scale?	

What are risk-bearing economies of scale?	
Give a possible cause of diseconomies of scale	
What is the principal-agent problem?	
Which cost curves are irrelevant in the long run and why?	
What is minimum efficient scale?	
What are the axes on an LRAC diagram?	
What shape is the LRAC curve?	
How can you show economies of scale on an LRAC diagram?	
How can you show diseconomies of scale on an LRAC diagram?	
If PED is elastic, what happens to revenue when price decreases?	
If PED is inelastic, what happens to revenue when price decreases?	
Is a demand curve with elastic PED relatively shallow or relatively steep?	
Is a demand curve with inelastic PED relatively shallow or relatively steep?	

What is the AR curve otherwise known as?	
What is marginal revenue?	
What two things happen at the same quantity where TR is maximised?	
What is the relationship between the AR curve and the MR curve?	
What does the total revenue curve look like for an industry?	
What does the average revenue curve look like for an industry?	
What does the marginal revenue curve look like for an industry?	
What is the relationship between the values of AR and MR at each revenue level?	
What is 'normal profit' in Economics?	
What is accounting profit?	
How do economic costs differ from accounting costs?	
What is supernormal profit?	
What is the profit maximising condition?	

Explain the profit maximising condition	
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