

مباحث المناقشة:

- الفرق بين الربح بالمفهوم المحاسبي والربح بالمفهوم الاقتصادي
- معنى دالة الإنتاج، الإنتاج الكلي، الإنتاج المتوسط، الإنتاج الحدي
- التكاليف في الأجل القصير

The difference between accounting, and Economic profit

Accounting Profit =
Total Revenue - Explicit Costs

Economic Profit =
Total Revenue - (Explicit Costs + Implicit Costs)

Questions on this part:

Which of the following is an implicit cost?

- a. The salary earned by a corporate executive
- b. Depreciation in the value of a company-owned car as it wears out**
- c. Property taxes
- d. All of the answers are correct.

Implicit costs are:

- A) equal to total fixed costs.
- B) comprised entirely of variable costs.
- C) "payments" for self-employed resources.**
- D) always greater in the short run than in the long run.

Which would be an implicit cost for a firm? The cost:

- A) of worker wages and salaries for the firm.
- B) paid for leasing a building for the firm.
- C) paid for production supplies for the firm.
- D) of wages foregone by the owner of the firm**

Suppose that a firm revenue is \$2,000,000. The explicit costs of production are \$1,500,000 and the implicit costs of production are \$300,000. The firm has an accounting profit of:

- A) \$500,000 and an economic profit of \$200,000.**
- B) \$400,000 and an economic profit of \$200,000.
- C) \$300,000 and an economic profit of \$400,000.
- D) \$200,000 and an economic profit of \$500,000.

The Answer:

TR= \$2,000,000

The explicit costs= \$1,500,000

implicit costs= \$300,000

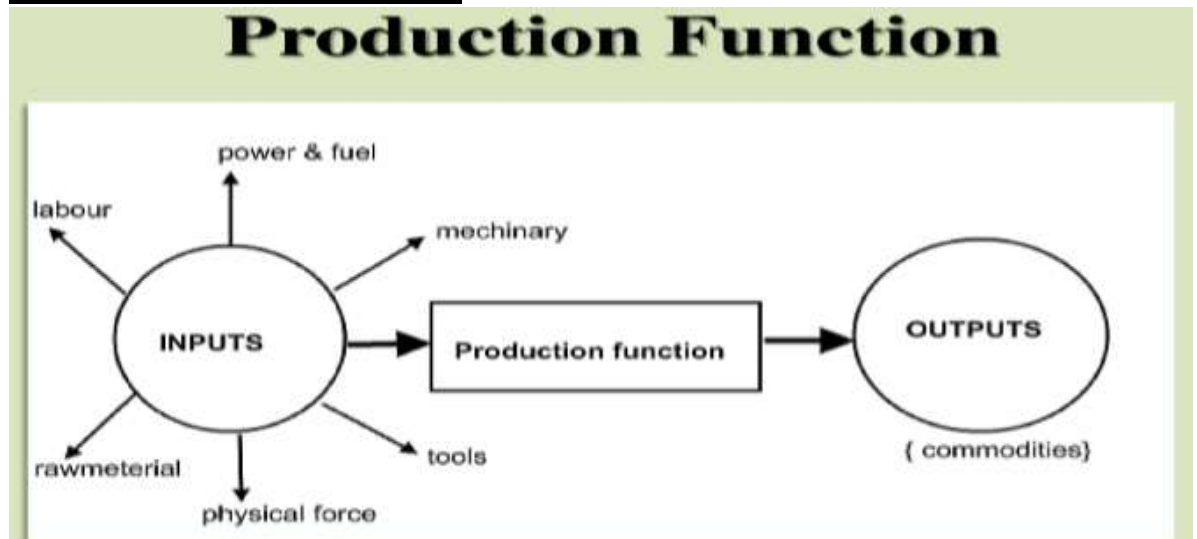
Eco. Profit = TR- (explicit + implicit) = \$2,000,000- (\$1,500,000 + \$300,000) = \$200,000

Acc. Profit = TR- explicit cost= \$5,000,000- \$1,500,000 = \$500,000

1. A paper mill pollutes a local river by discharging waste containing chlorine and other toxic chemicals. The cost of treating diseases that result from this pollution would be considered an accounting cost of production. **False**
2. Explicit costs are payments" for self-employed resources. **False**
3. The cost of wages foregone by the owner of the firm is implicit cost. **True**
4. The accounting profit does not differ from economic profit. **False**
5. Abeer opens a riding stable. She factors in the cost of buying horses, buying riding tackle, and renting space. However, she does not consider the opportunity cost of her time. Abeer is considering only the accounting costs of her project. **True**

Production Function, TP, AP, MP

- **The short run** is a time period in which some resources are fixed, and others variable.
- **Production function** shows the relationship between types or quantities of inputs and quantity of the output.



- **The total product**
 - is an input referring to total volume of goods and services produced by a firm with the given inputs during a specified period of time.
 - Can never be negative.

- **The marginal product**
 - of labor curve shows the change in total product resulting from **a one-unit increase in the quantity of a particular resource used, holding constant other resources.**
 - Marginal Product of an input is **an addition to the total product when an additional unit of labor is employed.**
 - calculated by dividing the Change in output by the Change in number of labor **$MP = \Delta TP / \Delta L$**
- **The Average product**
 - is calculated by dividing the total Product by number of labor (**$AP = TP / L$**)
 - **Average product cannot be negative** because **TP can never be negative.**

• Questions on this part:

----- is an input referring to total volume of goods and services produced by a firm with the given inputs during a specified period of time

Total product

Average product

Marginal product

Production function

-----is calculated by dividing the Change in output by the Change in number of labor

Total product

Average product

Marginal product

Production function

The marginal product of labor curve shows the change in total product resulting from a:

A) one-unit increase in the quantity of a particular resource used, letting other resources vary.

B) one-unit increase in the quantity of a particular resource used, holding constant other resources.

C) change in the cost of a variable resource.

D) change in the cost of a fixed resource.

-----is calculated by dividing the total Product by number of labor

Total product

Average product

Marginal product

Production function

Average product cannot be negative because:

Total product can never be zero

Total product can never be negative

Marginal product can never be zero

Average product can never be zero

- The short run is a time period in which all resources are fixed. False
- Production function shows the relationship between types or quantities of inputs and quantity of the output. True
- Marginal Product is calculated by dividing the total Product by number of labor. False
- Marginal Product of an input is an addition to the total product when an additional unit of labor is employed. True
- Average Product of an input is calculated by dividing the Change in output by the Change in number of labor $=\Delta Q/\Delta L$. False

Short run costs

- Variable costs are costs that change with the level of production.
- A cost that can be easily adjusted is known as a variable cost
- Total cost exceeds variable cost by a constant amount equal to fixed cost.
- Average cost is calculated by dividing the total cost by units of production (TC/Q)
- Marginal Cost is the increase in total cost that results from a one-unit increase in production.

• Questions on this part:

Variable costs are:

- A) sunk costs.
- B) multiplied by fixed costs.
- C) costs that change with the level of production.**
- D) defined as the change in total cost resulting from the production of an additional unit of output

The increase in total cost that results from a one-unit increase in the quantity of production is the

marginal cost.

average cost.

total cost.

Cost function

-----is calculated by dividing the total cost by units of production (TC/Q)

Total cost

Average cost

Marginal cost

Cost function

- A cost that can be easily adjusted is known as a fixed cost. False
- Total cost exceeds variable cost by a constant amount equal to fixed cost True