



## **[Glossary]**

### **Factor Pricing**

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<b>Unit No. &amp; Title:</b>	Unit – 2 Factor Market
<b>Lecture No. &amp; Title:</b>	Lecture – 2 Factor Pricing

## **Glossary**

**Average revenue:** Total revenue per unit of output (i.e., the ratio of total revenue to quantity).

**Equilibrium:** A state or condition that will continue indefinitely as long as factors exogenous to the system remain unchanged.

**Factor market:** A marketplace for the services of a factor of production.

**Factors of production:** Resources that are used to produce a good.

**Fixed resources:** Factors of production whose quantity cannot be increased or decreased during a particular period.

**Imperfect competition:** a generic term sometimes used to designate all structures that deviate from the perfectly competitive market model.

**Labor demand curve:** A curve that shows how the firm's cost-minimizing quantity of labor varies with the price of labor.

**Marginal product of labor:** The rate at which total output changes as the quantity of labor the firm uses is changed.

**Marginal revenue product:** the increase in total revenue resulting from the use of one additional unit of input.

**Real wages:** the amount of goods and services an individual or group can purchase with their nominal income during some period of time.