40.Market structure of the following product(i)water supply in Dhaka city(ii)Rice market(iii)Mobile telephone service (iv)Banking services?

(i)water supply in Dhaka:

The Dhaka Water and Sewerage Authority (DWASA) currently supplies water to about 70% of the population of the Dhaka City Corporation (DCC) and its suburbs through a distribution network. The four million people living in the 3,000 Dhaka slums also rely on DWASA's piped water, as there is no other reliable source of water available; but public standpipes are always remotely located. DWASA's sewerage network covers only about 1 1 0 km2. Trunk sewers suffered major damage during the 1998 and 2004 floods; as a result, only about 40% of the waste water generated by the existing 50,000 Connections currently reach the waste water treatment plant. High standard buildings dispose of their black waters in septic tanks and their grey waters in storm water drains. Lower income households rely DWASA is also responsible for developing and operating the underground storm water drainage system that covers an area of about 140 km2; Dhaka City Corporation is in charge of surface
drains. Natural channels and wetlands that help Dhaka cope with storm water flows are rapidly being destroyed by the urban development. Public health is affected by the limited coverage of both the water supply and waste water facilities and recurrent flooding. DWASA needs to update its water supply master plan to help protect existing sources, develop new ones, and rationalize its distribution network. DWASA also needs to update its sanitation strategy and its wastewater management master plan, as well as its storm water drainage master plan, to ensure that minimum retention capacity of storm water flows is
reserved in the city whose population is expanding at a rate of almost 0.8 million per year. The Government of Bangladesh has requested assistance from the World Bank to prepare the proposed
project to improve water supply, sewerage disposal, and sanitation and storm water drainage facilities in
Dhaka.

(ii) Rice market:

Rice is very important because about 40% farmers in Bangladesh are producing rice. By which most people in Bangladesh regulate their living condition. Rice is the seed of the monocot plant *Orzo sativa*. As acereal grain, it is the most important food for a large part of the world's human population, especially in East and South Asia, the Middle East, Latin America, and the West Indies. It is the grain with the second-highest worldwide production. Rice production increases must be achieved at a faster rate than in most other countries, while the land planted to rice is not expanding. But in our country there is some major factor which is affect on production of rice price. There are some causes which are affecting on our production of rice Such as 1.All kinds of natural disaster. Rice price is high because we are not self-sufficient in producing rice and we import rice from many countries. On the other hand we are some facing some problem on production process such down technology corruption , syndicate , middle man .lack of improve technology ,lack of capital , hybrid and lack of supply and inputs. Mostly consumers and producer are affected.

(iii) Mobile phone services:

There is a wide choice of mobile telephone services. You can choose different types of services; including pre-pay or contract services. There are also different pricing options and additional services to opt for, as well as different makes, models and types of mobile phone handsets to choose from.
Before you buy, you should carefully examine what each mobile phone services offers to determine what's best for you and your budget.

(iv) Banking services:

Banking service in Bangladesh is characterized as a highly competitive and highly regulated sector. With a good number of banks already in operation and a few more in the pipeline, the market is becoming increasingly competitive by the day.With the global slowdown in the face of rising competition, the commercial banks are constantly looking for ways to develop their market and product offers to remain ahead of others. A significant amount of regulation by Bangladesh Bank prevents the scope of introducing newer products into the market and thereby restricts a banks' ability to outperform others with a diversified product range.

However, recent trends have shown banks shifting away from vanilla products (basic products) towards higher value added products that are highly structured, to meet the needs of the clients.

Involvement of the banking sector in different financial events is increasing day by day. At the same time the banking process is becoming faster, easier and the banking arena is becoming wider. As the demand for better service increases, the banking organizations are coming with innovative ideas. In order to survive in the competitive field of the banking sector, all banking organizations are looking for better service opportunities to provide to their clients.

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41. What is meant by production function?

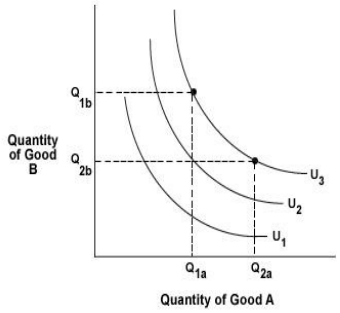
A production function shows the relationship between inputs of capital and labor and other factors and the outputs of goods and services.

Production of goods requires resources or inputs. These inputs are called factors of production named as land, labour, capital and organization. What ss Production Function in Economics with one or two variables input. A rational producer is always interested that he should get the maximum output from the set of resources or inputs available to him. He would like to combine these inputs in a technical efficient manner so that he obtains maximum desired output of goods.

The relationship between the inputs and the resulting output is described as production function in Economics. Maximum desired output of goods.

42. Describes a production indifference curve and its properties?

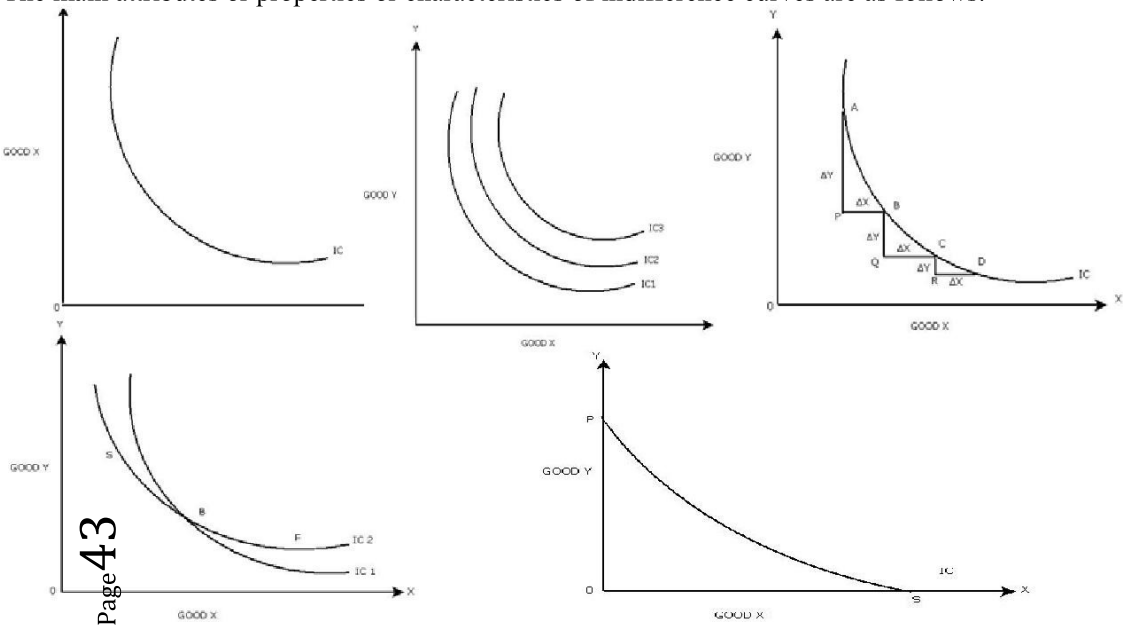
A diagram depicting equal levels of utility (satisfaction) for a consumer faced with various combinations of goods.



As an example, consider the diagram above. This consumer would be most satisfied with any combination of products along curve U_3. This consumer would be indifferent between combination Q_{a1}, Q_{b1}, and Q_{a2}, Q_{b2}.

Properties of Indifference Curves

The main attributes or properties or characteristics of indifference curves are as follows:



1. Indifference Curves are negatively Sloped: The indifference curves must slope downward from left to right. As the consumer increases the consumption of X commodity, he has to give up certain units of Y commodity in order to maintain the same level of satisfaction. In the above diagram, two combinations of commodity cooking oil and commodity wheat is shown by the points a and b on the same indifference curve. The consumer is indifferent towards points a and b as they represent equal level of satisfaction.

(2) Higher Indifference Curve Represents Higher Level of Satisfaction:

Indifference curve that lies above and to the right of another indifference curve represents a higher level of satisfaction. The combination of goods which lies on a higher indifference curve will be preferred by a consumer to the combination which lies on a lower indifference curve. In this diagram, there are three indifference curves, IC1, IC2 and IC3 which represents different levels of satisfaction. The indifference curve IC3 shows greater amount of satisfaction and it contains more of both goods than IC2 and IC1. IC3 > IC2> IC1.

(3) Indifference Curves are Convex to the Origin:

This is an important property of indifference curves. They are convex to the origin. As the consumer substitute's commodity X for commodity Y, the marginal rate of substitution diminishes as X for Y along an indifference curve. The Slope of the curve is referred as the Marginal Rate of Substitution. The Marginal Rate of Substitution is the rate at which the consumer must sacrifice units of one commodity to obtain one more unit of another commodity. **Diagram:**In the above diagram, as the consumer moves from A to B to C to D, the willingness to substitute good X for good Y diminishes. The slope of IC is negative. In the above diagram, diminishing MRSxy is depicted as the consumer is giving AF>BQ>CR units of Y for PB=QC=RD units of X. Thus indifference curve is steeper towards the Y axis and gradual towards the X axis. It is convex to the origin.

(4) Indifference Curves cannot Intersect Each Other:

The indifference curves cannot intersect each other. It is because at the point of tangency, the higher curve will give as much as of the two commodities as is given by the lower indifference curve. This is absurd and impossible.

In the above diagram, two indifference curves are showing cutting each other at point B. The combinations represented by points B and F given equal satisfaction to the consumer because both lie on the same indifference curve IC2. Similarly the combinations shows by points B and E on indifference curve IC1 give equal satisfaction top the consumer.

(5) Indifference Curves do not Touch the Horizontal or Vertical Axis:

One of the basic assumptions of indifference curves is that the consumer purchases combinations of different commodities. He is not supposed to purchase only one commodity. In that case indifference curve will touch one axis. This violates the basic assumption of indifference curves.

Diagram: In the above diagram, it is shown that the in difference IC touches Y axis at point P and X axis at point S. At point C, the consumer purchase only OP commodity of Y good and no commodity of X good, similarly at point S, he buys OS quantity of X good and no amount of Y good. Such indifference curves are against our basic assumption. Our basic assumption is that the consumer buys two goods in combination.

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43. what do you mean returns to scale?

"Returns to scale" is a term that is used to describe the type of changes that may occur to the output of a production process when some type of change takes place with the inputs involved in the process. Within the broader context of the returns to scale, the results are often qualified as increasing, decreasing, or constant, depending on what has occurred with the inputs and how those changes impacted the output of the production process. Identifying the returns to scale aids businesses in determining if those changes are positive for the company, and may even aid in providing valuable data that can be used to reverse an emerging negative trend.

One way to understand returns to scale is to think in terms of what will happen when factors shift and have an effect on the total output of the operation. For example, if the production line is shut down for a few days due to an equipment failure and there is no time to make up that lost time later in the accounting period, there is a good chance that the output for the period will be adversely affected in terms of finished units produced. When considered in light of the costs of repairing and restarting the machinery are taken into consideration, this may indicate a decreased returns to scale. At the same time, if changes in the production process make it possible to produce more finished units with the same level of resources consumed, those changes in the input factors lead to increased output that may be identified as an increased returns to scale. When changes to the inputs make no real difference in the relationship between inputs and outputs, the production is said to be constant returns to scale.

5. Distinguish between increasing returnto scale,constant returnto scale and decreasing returnto scale?

Increasing Returns to Scale

Increasing returns to scale is closely associated with economies of scale Increasing returns to scale occurs when a firm increases its inputs, and a more-than-proportionate increase in production results. For example, in year one a firm employs 200 workers, uses 50 machines, and produces 1,000 products. In year two it employs 400 workers, uses 100 machines (inputs doubled), and produces 2,500 products (output more than doubled).

When input prices remain constant, increasing returns to scale results in decreasing long-run average costs (economies of scale). A firm that gets bigger experiences lower costs because of increased specialization, more efficient use of large pieces of machinery (for example, use of assembly lines), volume discounts, and other advantages of producing in large quantities.

Decreasing Returns to Scale

Decreasing returns to scale is closely associated with diseconomies of scale. Decreasing returns to scale happens when the firm's output rises proportionately less than its inputs rise. For example, in year one, a firm employs 200 workers, uses 50 machines, and produces 1,000 products. In year two it employs 400 workers, uses 100 machines (inputs doubled), and produces 1,500 products When input prices remain constant, decreasing returns to scale results in increasing long-run average costs (diseconomies of scale). An organization may become too big, thus creating too many layers of management, too many departments, and too much red tape. This leads to a lack of communications, inefficiency, delays in decision-making and inefficient production.

Constant Returns to Scale

Constant returns to scale occurs when the firm's output rises proportionate to the increase in inputs. Problem: In the example above, after doubling the inputs in year one, what would output have to be in year two for the firm to experience constant returns to scale? Solution: 2,000 products. At 2,000 products, the output doubles. Because the inputs double, the increase in production is proportionate. By definition, this equates to constant returns to scale.