



ST. LAWRENCE HIGH SCHOOL

A Jesuit Christian Minority Institution



Worksheet 42

Sub: Economics Class: XII

Chapter 10: Market Equilibrium Under Perfect Competition F.M.: 15

Topic: Short run and long run equilibrium

of a firm under Perfect Competition

Date: 08/08/2020

Multiple choice questions

1x15 = 15

1. In long run the firm under perfect competition earns _____ profit.
 - a. Normal,
 - b. Super normal,
 - c. Negative,
 - d. Positive.
2. The short run supply curve of a firm under perfect competition can be derived from _____ curve.
 - a. AC,
 - b. AVC,
 - c. MC,
 - d. TC.
3. There exist infinite number of buyers and sellers in _____ market.
 - a. Monopoly,
 - b. Oligopoly,
 - c. Duopoly,
 - d. Perfect competition.
4. If total revenue is equal to total cost in perfect competitive market then the firm will get _____ profit.
 - a. Super normal.
 - b. Normal,
 - c. Actual,
 - d. Real.
5. The firm under perfect competition is price _____.
 - a. Maker,
 - b. Taker,
 - c. Giver,
 - d. Determiner
6. There will be perfect _____ about the market under perfect competition.
 - a. Demand,
 - b. Supply,

- c. Knowledge,
 - d. Quality.
7. _____ cost is the only cost under perfect competition.
- a. Transport,
 - b. Storage,
 - c. Advertisement,
 - d. Production.
8. In perfect competitive market _____ is equal to AR and MR.
- a. Price,
 - b. Quantity,
 - c. Demand,
 - d. Supply.
9. There will be perfect _____ of factors of production.
- a. Mobility,
 - b. Competition,
 - c. Knowledge,
 - d. Quality.
10. The sufficient condition of profit maximization is _____ must be upward rising..
- a. AC,
 - b. MC,
 - c. AVC,
 - d. AFC.
11. There exist free entry and free exit in _____ market.
- a. Monopoly.
 - b. Oligopoly,
 - c. monopsony,
 - d. Perfect competitive.
12. The necessary condition of profit maximization is _____.
- a. $MR=MC$,
 - b. $MR=AC$,
 - c. $MC=AC$,
 - d. $AR=AC$.
13. Production cost is the only cost in _____ market.
- a. Monopoly,
 - b. Perfect competition,
 - c. Oligopoly,
 - d. Duopoly.
14. For long run equilibrium price must be equal to _____.
- a. TC,
 - b. TFC,

- c. TVC,
 - d. MC.
15. The short run supply curve of a perfectly competitive firm is _____.
- a. Upward rising,
 - b. Downward sloping,
 - c. Vertical,
 - d. Horizontal.

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