



ST. LAWRENCE HIGH SCHOOL

A Jesuit Christian Minority Institution



Answerkey 44

Sub: Economics Class: XII

Chapter 11: Monopoly and Mark up Pricing F.M.: 15

Topic: Equilibrium under Monopoly

Date: 15/08/2020

Multiple choice questions

1x15 = 15

1. In monopoly market equilibrium price will be _____.

- a. Equal to MC,
- b. Less than MC,
- c. Greater than MC,
- d. Equal to MR.

Ans: c. Greater than MC.

2. A monopolist is a price _____.

- a. Taker,
- b. Maker,
- c. Giver,
- d. None of these.

Ans: b. Maker.

3. The monopolist will be in equilibrium where the value of elasticity will be _____.

- a. Equal to 1,
- b. Less than 1,
- c. Greater than 1,
- d. Infinity.

Ans: c. Greater than 1.

4. The degree of monopoly is also known as _____ index.

- a. Lerner's,
- b. Fisher's,
- c. Price,
- d. Quantity.
- e. Ans: a. Lerner's.

5. There are _____ types of price discrimination.

- a. Two,

- b. Three,
- c. Four,
- d. Five.

Ans: b. Three.

6. In monopoly market, price is _____.
- a. Fixed,
 - b. Variable,
 - c. Zero,
 - d. Infinite.

Ans: b. Variable.

7. Lerner's index is the reciprocal of _____.
- a. Price,
 - b. Demand,
 - c. Elasticity,
 - d. Quantity.

Ans: c. Elasticity.

8. The AR curve of a monopolist is _____.
- a. Horizontal,
 - b. Vertical,
 - c. Upward rising,
 - d. Downward sloping.

Ans: d. Downward sloping.

9. A monopolist will never produce at the _____ portion of his demand curve.
- a. Elastic,
 - b. Inelastic,
 - c. Horizontal,
 - d. Vertical.

Ans: b. inelastic.

10. The _____ of new firm is totally blocked in monopoly market.
- a. Entry,
 - b. Group,
 - c. Exit,
 - d. None of these.

Ans: a. Entry.

11. _____ is nothing but planned profit.
- a. AR,
 - b. Mark up,
 - c. AC,
 - d. TR.

Ans: b. Mark up.

12. The concept of mark up pricing was introduced by_____.

- a. Marshall,
- b. Smith,
- c. Kalecki,
- d. Samuelson.

Ans: c. Kalecki.

13. In case of manufactured product price is _____determined.

- a. Cost,
- b. Demand,
- c. Output,
- d. Supply.

Ans: a. Cost.

14. $AVC + MARK\ UP =$ _____of the product.

- a. Output,
- b. Demand,
- c. Price,
- d. None of these.

Ans: c. Price.

15. In case of manufactured product production is _____determined.

- a. Cost,
- b. Demand,
- c. Output,
- d. Supply.

Ans: b. Demand.

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