



ST. LAWRENCE HIGH SCHOOL



A Jesuit Christian minority Institution

Subject: Economics Class- XI

Date: 27/07/2020

Worksheet-26

Chapter- Demand , supply , market and price

Topic- Perfectly competitive market- characteristics and equilibrium price - quantity determination

1. Choose the correct alternative.

1x15=15

- a) Perfectly competitive market has i) one seller and large number of buyers ii) large number of buyers and sellers iii) one buyer and large number of sellers iv) none of these
- b) In perfectly competitive market Sellers supply i) very small part of the total supply ii) according to their production capacity iii) very large part of the total supply iv) none of these
- c) In perfectly competitive market i) sellers have homogeneous products ii) sellers have heterogeneous products iii) both (i) and (ii) iv) none of these
- d) If a firm earns less than normal profit then i) the firm goes out of the firm
ii) the firm has to stay in the market iii) the firm has to stay till the point it starts earning normal profit iv) none of these
- e) In perfectly competitive market the factors are i) immobile ii) perfectly mobile
iii) fixed in supply iv) none of these
- f) A perfectly competitive market involves _____ other than production cost .
i) advertisement cost ii) transport cost iii) both (i) and (ii) iv) no other cost
- g) Equilibrium price is the price i) at which total demand for any commodity in the

market is equal to the total supply of the market ii) at which producers earns profit
iii) fixed by the government iv) none of these

h) In the following table equilibrium price is i) Rs 300 ii) Rs 500 iii) Rs 600 iv)
Rs 700

| Price (per quintal in Rs) | Total demand (in quintals) | Total supply (in quintals) |
|---------------------------|-----------------------------|----------------------------|
| 300 | 20000 | 10000 |
| 400 | 18000 | 12000 |
| 500 | 15000 | 15000 |
| 600 | 12000 | 18000 |
| 700 | 10000 | 20000 |

i) In the above table , equilibrium quantity is i) 15000 quintal ii) 18000 quintal
iii) 20000 quintal iv) none of these

j) In the above table at price Rs 600 there is i) excess demand ii) excess supply iii)
equilibrium situation iv) none of these

k) In the above table at the price Rs 300 there is i) excess demand ii) excess supply
iii) equilibrium situation iv) none of these

l) At equilibrium price there is i) always unsold quantity ii) always unsatisfied
demand iii) sometimes unsold quantity iv) none of these

m) One of the important characteristics of perfectly competitive market is i) sellers and
buyers are well informed about the products ii) there are free entry and free exit of
firms iii) (i) and (ii) both iv) none of these

n) In perfectly competitive market i) buyers are price takers ii) sellers are price
takers iii) both (i) and (ii) iv) none of these

o) In perfectly competitive market i) single seller can influence price ii) single
buyer can influence price iii) (i) and (ii) both iv) no single buyer and no single seller
can influence the price

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