



ST. LAWRENCE HIGH SCHOOL

A Jesuit Christian Minority Institution



Worksheet 43

Sub: Economics Class: XII

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

**Topic: Price determination of a firm
under Perfect Competition**

Date: 10/08/2020

Multiple choice questions

1x15 = 15

1. The time period under perfect competition is _____.
 - a. Very short period,
 - b. Short period,
 - c. Long period,
 - d. All of these.
2. Under perfect competition price is determined by _____.
 - a. Demand only,
 - b. Supply only,
 - c. Interaction of demand and supply,
 - d. None of these.
3. _____ sets the price of the product under perfect competition.
 - a. Government,
 - b. Consumer,
 - c. Sellers,
 - d. Both buyers and sellers.
4. Under perfect competition, price of product _____.
 - a. Can be controlled,
 - b. Cannot be controlled,
 - c. Controlled to some extent,
 - d. Depends on government.
5. In perfect competitive market _____ is equal to AR and MR.
 - a. Price,
 - b. Quantity,
 - c. Demand,
 - d. Supply.
6. The necessary condition of profit maximization is _____.
 - a. $MR=MC$,
 - b. $MR=AC$,
 - c. $MC=AC$,
 - d. $AR=AC$.

7. Equilibrium price under perfect competition is determined by the intersection of _____.
- a. Market demand and market supply,
 - b. Input and output,
 - c. Market demand and firm supply,
 - d. None of these.
8. Which of the following industry is the best example of perfectly competitive market?
- a. Tooth paste,
 - b. Automobile,
 - c. Agriculture,
 - d. Ice cream.
9. The minimum point of AVC curve is known as _____.
- a. Shut down point,
 - b. Break even point,
 - c. Optimum point,
 - d. Full employment point.
10. The firm under perfect competition is price _____.
- a. Maker,
 - b. Taker,
 - c. Giver,
 - d. Determiner
11. There exist free entry and free exit in _____ market.
- a. Monopoly.
 - b. Oligopoly,
 - c. monopsony,
 - d. Perfect competitive.
12. The short run supply curve of a firm under perfect competition can be derived from _____ curve.
- a. AC,
 - b. AVC,
 - c. MC,
 - d. TC.
13. For long run equilibrium price must be equal to _____.
- a. TC,
 - b. TFC,
 - c. TVC,
 - d. MC.
14. The minimum point of AC curve is known as _____.
- e. Shut down point,
 - f. Break even point,

- g. Optimum point,
 - h. Full employment point.
15. A perfectly competitive firm can sell its product at a _____ price.
- a. Normal,
 - b. Abnormal,
 - c. Fixed,
 - d. Variable.

DebaleenaGanguly.
10.08.2020.