

Assignment-Economics(Aug-1)

Class-XII

TOPIC- Unit-4 (Markets)

1. What is the relation between market price and marginal revenue of the price-taking firm?
2. What induces new firms to enter an industry?
3. How does an increase in the excise tax rate affect the market price and the quantity exchanged?
4. What is the effect on price when a monopoly firm tries to sell more?
5. Given market equilibrium of a good, what are the effects of simultaneous increase in both demand and supply of that good on its equilibrium price and quantity?
6. Explain the effect of the increase in supply curve of the commodity on equilibrium price and quantity.
7. Why the demand curve of monopolistic competition firm is very elastic?
8. If at a given price of a commodity, there is excess demand, how will the equilibrium price be reached? Explain with the help of a diagram.
9. Suppose the price of a good is higher than the equilibrium price. Explain the changes that will establish equilibrium price.
10. What will be the impact on equilibrium price and quantity, when the demand curve is perfectly inelastic and supply curve shift out?
11. Compare the demand curve of different markets on the basis of price elasticity of demand.
12. Explain the implication of the following features
 - a. Very large number of buyers and sellers in perfect competition
 - b. Homogeneous products in perfect competition
 - c. Free entry and exit of firms in perfect competition
 - d. Few firms under oligopoly
 - e. Product differentiation under monopolistic competition

