

Economics - 9th Class English Medium Economics Chapter 5

Q1. What is Perfect Competition

Ans 1: In our analysis of market equilibrium, we assume perfect competition in the market. A Market is perfect in which there are enough buyers and sellers that no single buyer or seller can influence price of quantity by his or her individual actions.

Q2. What is determined by the intersection of supply and demand?

Ans 1: The intersection of supply and demand in economics determines the equilibrium price and quantity of a good or service in a market. At this intersection point, the quantity of the good that producers are willing to supply matches the quantity that consumers are willing to buy.

Q3. What is meant by equilibrium price and quantity?

Ans 1: Equilibrium Price: This is the price at which the quantity of a good or service that producers are willing to supply equals the quantity that consumers are willing to purchase. At this price, there is neither a surplus nor a shortage of the product in the market.

Ans 2: Equilibrium Quantity: This is the quantity of the good or service that is bought and sold at the equilibrium price. It represents the level of production and consumption that maximizes societal welfare, as it reflects the optimal allocation of resources based on consumer preferences and producer costs.

Q4. Define Economic Equilibrium

Ans 1: All other things being equal a buyer will always choose a seller with the lowest price, whereas a seller will choose, if possible, to sell at higher price. Only one price is possible where both seller and buyer and this is the state of equilibrium.

Q5. Perfect Define of Equilibrium

Ans 1: Equilibrium in economics refers to the state of balance in market, where the quantity demanded by consumers equals the quantity supplied by producers at a particular price level. This equilibrium price and quantity represent the point of agreement between buyers and sellers, ensuring that all goods or services produced are effectively consumed, and there is no excess supply or demand.

Q6. Write determination of Market Equilibrium

Ans 1:

Q7. What is One price

Ans 1: In the perfect market, a law of one price holds. After the market forces of supply and demand of buyers and sellers, are at

rest or in equilibrium, a single price for a good will prevail. the self intrested, competitive forces of buyers and sellers acting through supply and demand guarantee this important result.

Q8. What is Market Equilibrium

Ans 1: At equilibrium price, consumers get precisely the quantity of the good they are willing to buy at that price, and producers sell precisely the quantity they are willing to sell at the price

Q9. Define Equilibrium

Ans 1: The Concept of equilibrium is used in both physical and social sciences and it is of central importance in economic analysis. In economics, a market is said to be in equilibrium when all sellers and buyers are satisfied with one price and there is no tendency for production or price in that market to change.

Q10. Market Equilibrium Explanation with Diagram

Ans 1:
