

Economics - ICS Part 1 Economics English Medium Chapter 6 Short Questions Test

Q1. What is equilirium price.	
Ans 1: Demand becomes just equal to supply. This is called equilibiurm price.	
Q2. Define Supplementary notes.	
Ans 1: Working of demand and supply forces in different situations.	
Q3. What is price celling	_
Ans 1: The government tries to keep a price down than the equilibrium in free market i.e. it sets a price celling.	
Q4. What is black market and price control.	
Ans 1: Black market and price controls it is a maket in whihe sales take place at a price above the legal minimum fixed by gove.	
Q5. What is long period normal price.	
Ans 1: It is the wverage price over a long period duirng which the industry has full chance to expand or contract.	
Q6. What is alternative price policies.	_
Ans 1: Determination of price in monopoly market. A monopolist can adopt one of the two alternative price polices.	
Q7. What is perfect competition.	
Ans 1: These conditions deny individual buyers or sellers any pwoeer over price.	
Q8. What is market equilibriium means.	_
Ans 1: Market equilibrium means a situaton where Qs = Qd	

Q9. Define Short period Nomral price.

Ans 1: It is the average price over a period during thiwhc firms cna make adjustments int heir output level.

Q10. What is sales tax and price.

Ans 1: Imposition of sales tax reduce supply and supply curve shifts leftrward. Price increases and less quantity is sold.