

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

Q1. What is equilibrium price.

Ans 1: Demand becomes just equal to supply. This is called equilibrium price.

Q2. Define Supplementary notes.

Ans 1: Working of demand and supply forces in different situations.

Q3. What is normal price.

Ans 1: It is the price which is settled when producers have enough time to adjust production to meet demand. This can be 1- short period normal price and 2- Long period normal price.

Q4. Define Short period Normal price.

Ans 1: It is the average price over a period during which firms can make adjustments in their output level.

Q5. What is alternative price policies.

Ans 1: Determination of price in monopoly market. A monopolist can adopt one of the two alternative price policies.

Q6. What is long period normal price.

Ans 1: It is the average price over a long period during which the industry has full chance to expand or contract.

Q7. What is market clearing price.

Ans 1: Equilibrium price is also called market clearing price.

Q8. What is market equilibrium means.

Ans 1: Market equilibrium means a situation where $Q_s = Q_d$

Q9. What is black market and price control.

Ans 1: Black market and price controls it is a market in which sales take place at a price above the legal minimum fixed by government.

Q10. What is perfect competition.

Ans 1: These conditions deny individual buyers or sellers any power over price.
