BAL BHARATI PUBLIC SCHOOL
Ganga Ram Hospital Marg, New Delhi-60

CLASS –XII (MICRO) (UNIT IV) SUBJECT -ECONOMICS
ASSIGNMENT- 15 TOPIC – Market Equilibrium/Price Determination

Q1.Define /briefly explain the following Terms: (a)Equilibrium (b)Equilibrium price (c)Equilibrium quantity (d)Excess demand (e) Excess supply (f) Market equilibrium

Q2.How is market equilibrium determined ?Show with help of schedules and diagrams.

Q3.Discuss and show with diagrams the effect of following changes on equilibrium
(a) Demand shifts, supply constant
(b) Supply shifts, demand constant
(c) Both demand and supply curves shift in same and different proportions

Q4.Show that increase in demand does not always lead to rise in the price of the good (Use diagram)

Q5.When will equilibrium price of a good not change if its demand and supply both decrease?(Use diagram)

Q6.How do the following changes affect equilibrium price and equilibrium quantity of a good:
(a)Increase in consumers income.
(b) Favourable change in tastes of consumer
(c)Fall in input prices
(d) Increase in excise duties
(e) Substitute in consumption becomes cheap, and technology improves (simultaneous changes)
Explain the chain if effects in each case using diagrams.

Q7.Show the effect of shifts in supply, when demand curve is (a)perfectly elastic (b)perfectly inelastic

Q8.Out of the two forces ,demand and supply ,which is more important for determining market equilibrium?