



# INDIAN SCHOOL DARSAIT

## DEPARTMENT OF COMMERCE



Subject : Economics      Topic : Market Equilibrium      Date of Worksheet : \_\_\_\_\_

Resource Person:Ekta Gautam      Date of Submission: \_\_\_\_\_

Name of the Student : \_\_\_\_\_      Class & Division : \_\_\_\_\_      Roll Number : \_\_\_\_

S.No.		Marks
1.	What change will take place in equilibrium price of a commodity when its demand 'increases' and supply 'decreases' in the same proportion?	1
2.	Define market equilibrium.	1
3.	When do we say there is excess demand for a commodity in the market?	1
4.	Explain the meaning and need for 'price ceiling'.	3
5.	Explain the effects of 'maximum price ceiling' on the market of a good. Use diagram.	3
6.	What are the effects of 'price-floor' (minimum price ceiling) on the market of a good? Use diagram.	3
7.	Explain how price is determined in a perfectly competitive market with fixed number of firms.	4
8.	Giving reasons, state whether the following statement is true or false: Excess supply of a commodity exists when its market price is greater than its equilibrium price.	4
9.	Explain with the help of a diagram the chain of effects of a rightward shift in demand curve of a good on its equilibrium price, quantity demanded and supplied.	4
10.	How will a change in price of coffee affect the equilibrium price of tea? Explain the effect on equilibrium quantity. Use diagram.	6
11.	X is a normal good for consumers. Their income increases. Explain its chain of effects on equilibrium price, demand and supply of X. (Use diagram).	6
12.	What is "excess demand" for a good in a market? Explain its chain of effects on the market for that good. Use a schedule.	6
13.	Market for a good is in equilibrium. Explain the chain of reactions in the market if the price is (i) higher than equilibrium price, and (ii) lower than equilibrium price.	6
14.	Market for a good is in equilibrium. There is simultaneous "increase" both in demand and supply but there is no change in price. Explain how it is possible. Use a schedule.	6

15. Government reduces the price of inputs used in the production of commodity X. Describe the chain of effects of this change in the market. 6
16. Equilibrium price of an essential medicine is too high. Explain what possible steps can be taken to bring down the equilibrium price but only through the market forces. Also explain the series of changes that will occur in the market. 6