

DETERMINATION OF PRICE

2006-November

[1] For maximum profit, the condition determined through:

- (a) $AR = AC$
- (b) $MR = MC$
- (c) $MR = AR$
- (d) $MC = AC$

2007-may

[2] Equilibrium price may is:

- (a) Only demand
- (b) Only supply
- (c) Both demand & supply
- (d) None

2007-August

[3] If price is forced to stay below equilibrium price

- (a) Excess supply exists
- (b) excess demand exists
- (c) Either (a) or (b)
- (d) Neither (a) nor (b)

2007-November

[4] An increase in Supply with unchanged demand leads to:

- (a) Rise in price and fall in quantity
- (b) Fall in both price and quantity
- (c) Rise in both price and quantity
- (d) Fall in price and rise in quantity

2008-February

[5] In the long run:

- (a) Only demand can change
- (b) Only supply can change
- (c) Both demand and supply can change
- (d) none of these

2008-June

[6] Condition for producer equilibrium

- (a) $TR = TVC$
- (b) $MC = MR$
- (c) $TC = TSC$
- (d) None of these

2010-June

[7] An increase in supply with demand remaining the same, brings about.

- (a) An increase in equilibrium quantity and decrease in equilibrium price.
- (b) An increase in equilibrium price and decrease in equilibrium quantity
- (c) Decrease in both equilibrium price and quantity.
- (d) None of these.

ANSWERS

1. (b) 2. (c) 3. (b) 4. (d)
5. (c) 6. (b) 7. (a)