

Chapter 11 – Price Determination with Simple Applications

Question 1

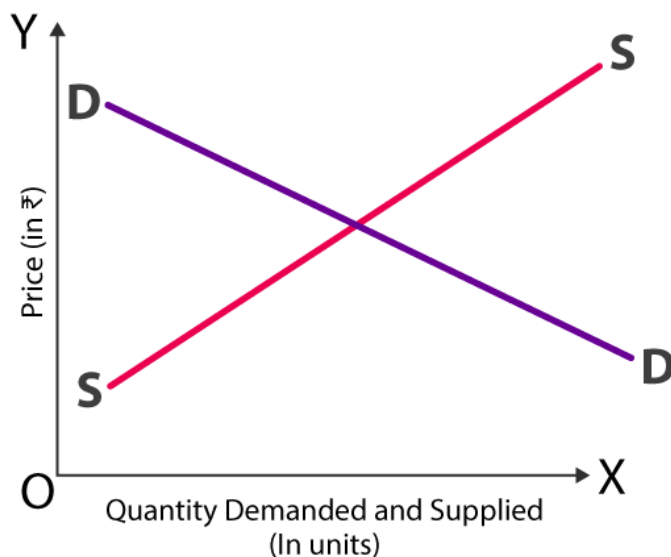
How is market equilibrium determined?

Ans: Market equilibrium is determined when the quantity demanded of a commodity becomes equal to the quantity supplied.

Question 2

Graphically represent Viable industry.

Solution:

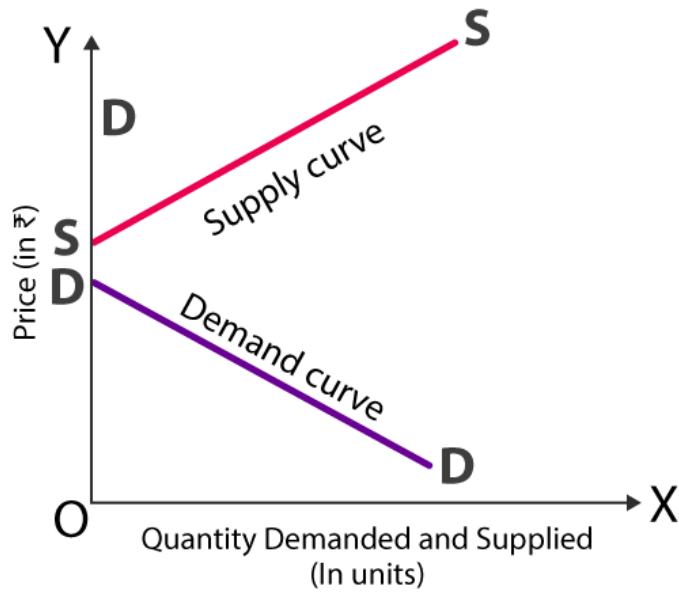


Viable Industry

Question 3

Graphically represent Non-Viable industry.

Solution:

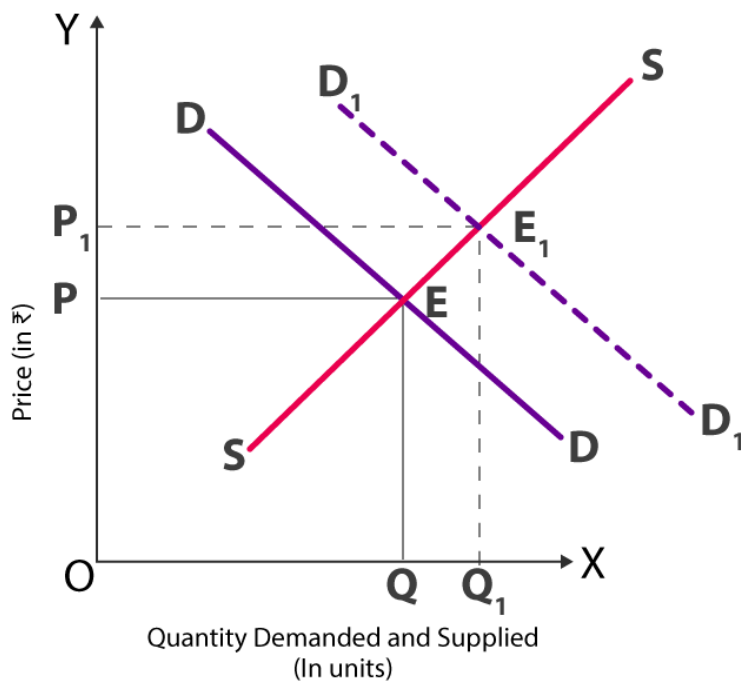


Non-Viable Industry

Question 4

Graphically represent Increase in Demand.

Solution:



Increase in demand

Question 5

Graphically represent quantity demanded and supplied.

Solution:

