**National Institute of Open Schooling**
**Secondary Course - Economics**
**Lessons 11: Determination of Price and Quantity**
**Worksheet-11**

1. Total cost for producing one unit of a commodity is Rs. 45 and total revenue received by a producer is rupees 50.

   Answer the following questions-
   A) What is the formula for calculating profit?
   B) Define total revenue and total cost.

2. "A seller aims to earn maximum profit while fixing the price of a commodity". Identify factors which play an important role to determine the price of that commodity.

3. Income of Mr. X increases over the period of time. What will be the impact on equilibrium price and quantity, if he purchases more quantity of a commodity?

4. Rise in price creates a situation of excess supply and fall in price creates a situation of excess demand in the market. Explain the reason with suitable examples.

5. "The condition of equilibrium price and quantity in the market works as a guiding force to establish coordination between consumer's behaviour and producer's behaviour". Elaborate the statement.

| Price(Rs.) | Quantity Demanded | Quantity Supplied |
|---|---|---|
| 20 | 10 | 50 |
| 19 | 20 | 40 |
| 18 | 30 | 30 |
| 17 | 40 | 20 |
| 16 | 50 | 10 |

6. On the basis of the schedule given above determine the equilibrium price and equilibrium quantity. Use a diagram.

7. Discuss consumer's behaviour and producer's behaviour when the price rises from Rs. 18 to Rs.19 and also when price falls from Rs. 18 to Rs.17.

8. Discuss the effect of change in demand on equilibrium price and quantity if supply remains the same.

9. How does change in supply affect the equilibrium price and quantity if demand remains the same?

10. How does the concept of determination of equilibrium price and quantity provide the basis for judicious utilisation of resources? Explain.