

**National Institute of Open Schooling**  
**Secondary Course - Economics**  
**Lesson 13: Role of Government in Determination of Price and Quantity System**  
**Worksheet-13**

1. Identify the various forms through which administered price policy provides the basis for government intervention to regulate the production and distribution of goods and services in an economy.
2. "Controlled price system is an instrument in the hands of the government to ensure food security to people who are living below the poverty line in an economy". Comment on the statement.
3. "The regulation of support price introduced by the government protects the interest of farmers and motivates them to produce sufficient agricultural products in an economy". Explain the process.
4. "Token price is charged with a view to prevent wastage of essential services by the government". Give your arguments for the given statement.
5. "Black marketing creates obstacles in the way of economic development of a country". How does the Dual price policy taken by the government solve this problem?
6. "Imposition of taxes by the government increases the market price of a commodity whereas provision of subsidies granted by the government lowers the market price of a commodity". Explain the statement with suitable examples.
7. "Public Distribution System is working on the principle of providing welfare to society". In the support of the statement identify the essential elements of the system.
8. You are suggested to make a visit to fair price shops in your locality to observe the process and practice of Public Distribution System in India. On the basis of your observations, prepare a brief report on Public Distribution System.
9. "Minimum Support Price acts as a benchmark for restricting private sector and also preserves the productivity of agricultural sector". How?
10. "Support price gives rise to surplus supply of a commodity and Control price gives rise to shortage of supply of a commodity". Explain the reasons behind these two situations.