

3.1 Perfect Competition Short Questions

1996

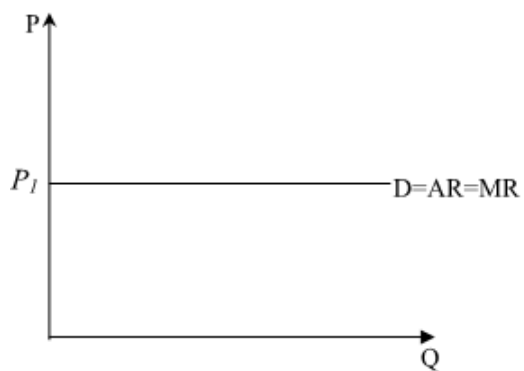
In perfect competition a firm will be in long run equilibrium when

.....

(16 marks)

2009

The diagram below represents the demand curve facing a firm in Perfect Competition.



This demand curve is;

(✓ correct answer)

- Unitary Elastic
- Perfectly Inelastic
- Perfectly Elastic

State the reason for your choice:

.....

(16 marks)

2011

Name the market structure (Perfect Competition, Imperfect Competition or Monopoly) to which each statement below is most likely to apply:

STATEMENT	MARKET STRUCTURE
(i) The firm has a perfectly elastic demand curve.	
(ii) The product of the firm is unique.	
(iii) Restaurants could be an example of this market structure.	
(iv) Average costs of the firm are at a minimum.	

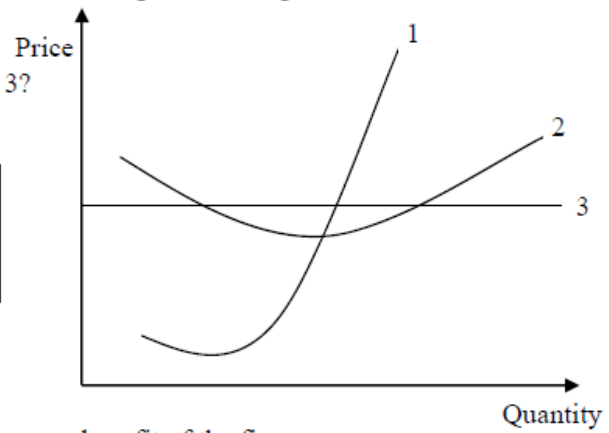
(16 marks)

2016

The diagram below shows a firm operating under conditions of **perfect competition** in the short run.

- (a) What is represented by the lines numbered 1 to 3?
Use the answer box provided.

Number	Name
1	
2	
3	



- (b) (i) Show clearly on the diagram the total supernormal profit of the firm.

(ii) Explain the term **supernormal profit** _____

_____ (16 marks)

2018

The firm in perfect competition is a 'price taker'.

- (a) Explain this statement.

- (b) Other than price taking, outline **two** characteristics of a perfectly competitive market.

(i) _____

(ii) _____

(16 marks)