

Economics worksheet -3 (Demand and Elasticity of demand)

Class xii

Q1. The demand curve slopes downwards because of

- (a) Law of DMU
- (b) Income effect
- (c) Substitution effect
- (d) All of these

Q2. Fall in demand of good 'X', due to expectation of fall in its price in future is

- (a) Extension of demand
- (b) Decrease in demand
- (c) Contraction of demand
- (d) Increase in demand

Q3. The factor which causes movement along the demand curve is

- (a) Price of the commodity
- (b) Income of the consumer
- (c) Price of other goods
- (d) None of these

Q4. The effect of change in price of related goods on demand of a commodity is

- (a) Income effect
- (b) Substitution effect
- (c) Cross-price effect
- (d) None of these

Q5. The demand of these goods varies directly with income

- (a) Substitute good
- (b) Inferior goods
- (c) Normal goods
- (d) Giffen goods

Q6. There is a new product launched by a mobile manufacturing unit. Consumers like this brand very much. How will it affect the demand curve of this new product? (Use diagram)

Q7. A good is inferior good for one and at the same time, normal good for another consumer. Do you agree? Explain.

Q8. Define Inferior Goods, Market Demand, inelastic demand, perfectly elastic demand and perfectly inelastic demand.

Q9. When a good is called a normal good?

Q10. Give three reasons (or causes) of a leftward shift of demand curve.

Q11. Distinguish between change in quantity demanded and change in demand with the help of diagrams.

Q12 "More is demanded at lower prices "agree or disagree. Support your answer with reasons