

**CLASS XII**  
**ELASTICITY OF DEMAND**

- 1 A consumer buys 1000 units of a good at a price of Rs.120 per unit. When the price falls he buys 1400 units. If price elasticity is (-) 2, What is the new price?
- 2 The quantity demanded of a commodity falls by 5 units when its price rises by Re. 1 per unit. Its price elasticity of demand is (--)1.5 Calculate the price before the change if at this price quantity demanded was 60 units.
- 3 Calculate price elasticity of demand by percentage method.

|                |          |
|----------------|----------|
| Price per unit | Demand   |
| Rs. 10         | 0 units  |
| Rs. 9          | 10 units |
- 4 A 2 percent fall in price of good A lead to a fall in expenditure of the consumer on A. A 3 percent rise in price of good B lead to fall in expenditure by the consumer on B. Compare price elasticity of A and B.
- 5 A consumer buys 10 units of a commodity at the price of Rs. 5 per unit. The price elasticity of demand for this good is -2. Price falls to Rs. 4 per unit. How much of this commodity will he buy now at this price?
- 6 A household buys 30 units of a commodity when its price is Rs. 5 per unit. The quantity demanded falls to 25 units when the price rises to Rs. 6 per unit. How much is price elasticity of demand.
- 7 Price elasticity of demand for a good is  $-0.75$ . When its price falls by Rs. 1 per unit its quantity demanded rises by 4 units. Calculate quantity demanded if the price before the change was Rs.12 per unit.
- 8 At a price Rs. 20 per unit, the quantity demanded for a commodity is 300 units. If price falls by 10%, quantity demanded rises by 60 units. Calculate price elasticity of demand.
- 9 Price elasticity of demand for a good is (--) 0.5. Its quantity demanded falls by 5 units when its price rises by Re.1 per unit. Calculate quantity demanded if price before the change is Re.5 per unit.

- 11 A consumer spends Rs. 90 on a good when its price is Rs. 9 per unit. When price falls to Rs. 6 per unit, he spends Rs. 120 per unit. Calculate price elasticity by percentage method.
- 12 A consumer spends Rs. 70 on a good when its price is Rs. 5 per unit. When the price falls to Rs. 4 per unit, he spends Rs. 84. Calculate the price elasticity by percentage method.
- 13 At a price of Rs 50 per unit, the quantity demanded of a commodity is 1000units. When its price falls by 10 percent, its quantity demanded rises to 1080 units. Calculate price elasticity of demand. Is its demand inelastic? Give reason.
- 14 Price elasticity of demand for a good is unitary. A consumer buys 50 units of a good when price is Rs. 2 per unit. Using total outlay method of determining price elasticity of demand, calculate how many units of this good will the consumer buy if its price rises to Rs. 4 per unit?
- 15 If market price of a commodity is Re.4 per unit a sell is willing to sell 600 units of a commodity. When price rises to Re.5, he is willing to sell750 units. What is the price elasticity of supply?
- 16 As a result of a fall in the price of a commodity form Rs.7/- per k.g to Rs. 5 per k.g.. The total expenditure on it increases from Ts. 3500/- to Rs 6250. Calculate price elasticity of demand.
- 17 A consumer spends Rs.80/- on a commodity when its price is Rs.1/-per unit and spends Rs.96 when its price is Rs 2/- per unit. What is the price elasticity of demand for the commodity?