



ST. LAWRENCE HIGH SCHOOL

A Jesuit Christian Minority Institution



Answerkey 38

Class: XII

Sub: Economics

Chapter 08: Supply

F.M.: 15

Topic: Change in supply and quantity supplied

Date: 25/07/2020

Multiple choice questions

1x15 = 15

1. If input price increases then supply _____.

- a. Increases,
- b. Decreases,
- c. Constant,
- d. Zero.

Ans: b. Decreases.

2. If supply increases then supply curve will shift to _____.

- a. Leftward,
- b. Rightward,
- c. Negative,
- d. Zero.

Ans: b. Rightward.

3. Supply will increase if we use _____ technology in the production process.

- a. Outdated,
- b. Primitive,
- c. Advanced,
- d. Normal.

Ans: c. Advanced.

4. If wages increase then supply will _____.

- a. Increase,
- b. decrease,
- c. constant,
- d. zero.

Ans: b. decrease.

5. When only the price of the commodity changes, supply also changes. Then it will be known as _____.

- a. Change in supply,
- b. Change in quantity supplied,
- c. Change in price,
- d. Change in demand.

Ans: b. Change in quantity supplied,

6. If raw material availability increases then _____ will increase.
- a. Demand,
 - b. Price,
 - c. Supply,
 - d. Profit.

Ans: c. Supply.

7. Higher the price, _____ is the supply of any commodity.
- a. Higher,
 - b. Lower,
 - c. Constant,
 - d. None of these.

Ans: a. Higher.

8. Change in quantity supplied is also known as _____.
- a. Shift of supply curve,
 - b. Change of supply curve,
 - c. Movement along the supply curve,
 - d. Change of price.

Ans: c. Movement along the supply curve.

9. When price decreases then quantity supplied will _____.
- a. Decrease,
 - b. Increase,
 - c. Constant,
 - d. Zero.

Ans: a. Decrease.

10. When price is constant but other determinants of supply decreases then supply curve will shift _____.
- a. Rightward,
 - b. Leftward,
 - c. Upward,
 - d. Zero.

Ans: b. Leftward.

11. Labour supply curve is _____.
- a. Backward bending,
 - b. Upward rising,
 - c. Downward sloping,
 - d. U shaped.

Ans: a. Backward bending,

12. If the law of diminishing costs operates in any industry, then the supply curve will be_____.

- a. Upward rising,
- b. Downward sloping,
- c. Horizontal,
- d. Vertical.

Ans: c. Horizontal.

13. Supply curve is _____.

- a. Upward rising,
- b. Downward sloping,
- c. Horizontal,
- d. Vertical.

Ans: a. Upward rising.

14. _____curve is the supply curve for perfectly competitive market

- a. AC,
- b. MC,
- c. AVC,
- d. TC.

Ans: b. MC.

15. Labour supply curve is one of the exceptions of _____.

- a. Law of demand,
- b. Law of supply,
- c. Law of diminishing return,
- d. Law of market.

Ans: b. Law of supply.

Debaleena Ganguly.
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