



ST. LAWRENCE HIGH SCHOOL



A Jesuit Christian minority Institution

Subject: Economics Class- XI

Date:20/07/2020

Answer key of Worksheet-24

Chapter- Demand , supply , market and price

Topic- Law of supply- reasons and exceptions

1. Choose the correct alternative. $1 \times 15 = 15$
- a) With the increase in price, other things remaining the same there is increase in quantity supplied and with the decrease in price there is decrease in quantity supplied, this is known as i) law of demand ii) **law of supply** iii) law of diminishing marginal utility iv) none of these
- b) As price increases, quantity supplied increases i) to meet excess demand ii) to remain in the market iii) **to maximise profit** iv) none of these
- c) One of the reasons working behind law of supply is i) **the number of firms increases as price of the commodity increases** ii) i) to meet excess demand iii) to remain in the market iv) none of these
- d) If the good is fixed in supply then with the increase in price i) quantity supplied increases ii) quantity supplied decreases iii) **quantity supplied remains same** iv) none of these
- e) Law of supply does not work in case of i) **perishable goods** ii) durable goods iii) capital goods iv) none of these
- f) In case of agricultural product law of supply can not be followed because i) **land is fixed** ii) labour is fixed iii) both (i) and (ii) iv) none of these
- g) Law of supply does not work in case of i) **labour supply** ii) durable good supply iii) necessary good supply iv) none of these
- h) If producer has the expectation that price of commodity will rise more in future then i) law of supply works ii) **law of supply does not work** iii) law of demand does not work iv) law of diminishing marginal utility does not work
- i) In case of supply of rare items, supply curve is i) **vertical** ii) upward sloping iii) downward sloping iv) none of these

- j) Law of supply does not work in case of **i) goods which can not be reproduced** ii) agricultural good iii) (i) and (ii) both iv) none of these
- k) Laboursupply does not increase with increase in wage i) from the beginning **ii) after a certain point of time** iii) in any circumstances iv) none of these
- l) Which is not a cause for supply to change?
i) subsidy ii) government regulations **iii) taste** iv) competition
- m) Vertical supply curve indicates **i) no change in quantity supplied with the increase in price** ii) increase in quantity supplied with increase in price ii) increase in quantity supplied with decrease in price iv) none of these
- n) With the increase in price quantity of vegetables supplied i) increases ii) decreases **iii) remains constant** iv) none of these
- o) If there is only one supplier(monopoly) in the market then with increase in price **i) quantity supplied may not increase** ii) quantity supplied always increase iii) quantity supplied always decrease iv) none of these

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