



ST. LAWRENCE HIGH SCHOOL

A Jesuit Christian Minority Institution



Worksheet 4

Sub: Economics

Class: XII

Chapter 02: Demand

F.M.: 15

Topic: Price effect, change in demand and quantity demand **Date: 06/05/2020**

Multiple choice questions

1x15 = 15

1. Shifting of demand curve depends on
 - a. Change of assumption,
 - b. Change of price level,
 - c. Change of production level,
 - d. None of these.
2. Change in demand refers to
 - a. Change in quantity demand,
 - b. Shifting of demand curve,
 - c. Shifting of supply curve,
 - d. None of these.
3. Goods which are purchased less when income increases are called as
 - a. Inferior goods,
 - b. Luxury goods,
 - c. Normal goods,
 - d. Necessary goods.
4. The larger the amount of a commodity purchased.
 - a. More is the marginal utility,
 - b. less is the marginal utility,
 - c. Either a) or b)
 - d. None of these.
5. When the price falls
 - a. Quantity demand decreases,
 - b. Quantity demand increases,
 - c. Quantity demand remains same,
 - d. None of these.
6. When the price rises
 - a. Quantity demand remains same
 - b. Quantity demand increases
 - c. Quantity demand decreases

- d. None of these
- 7. When per capita income increases, proportion of income spent on a product X increases, it implies product X is a .
 - a. Luxury good,
 - b. Inferior good,
 - c. Necessary good,
 - d. Normal good.
- 8. While drawing demand curve, changes take place in respect of which of the following factor?
 - a. Quality of the product,
 - b. Price of the product,
 - c. Supply of the product,
 - d. All of these.
- 9. When price of normal goods decreases then demand of it increases due to
 - a. Income effect,
 - b. Substitution effect,
 - c. Both a) and b),
 - d. Giffen effect
- 10. If the demand for diesels remain constant even after increase of diesel prices, it means diesel is a
 - a. Comfort product,
 - b. Necessary product,
 - c. Luxury product,
 - d. Inferior product.
- 11. In case of an inferior good the substitution and income effects are
 - a. Positive,
 - b. negative,
 - c. one is positive other is negative,
 - d. zero.
- 12. In case of Giffen goods income effect is
 - a. positive,
 - b. zero,
 - c. negative,
 - d. greater than one.
- 13. With fall in price, if the total demand for a goods are increases, then it reveals
 - a. Income effect,
 - b. Substitution effect,
 - c. Price effect,

d. No effect.

14. Consumers real income increases when

- a. Price of the commodity also decreases,
- b. Money income decreases,
- c. Price of the commodity increases,
- d. None of these.

15. The difference between willingness to pay and actual pays is known as

- a. Price effect,
- b. income effect,
- c. consumer surplus,
- d. substitution effect.

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06.05.2020