



ST. LAWRENCE HIGH SCHOOL

A Jesuit Christian Minority Institution



Answerkey 39

Sub: Economics Class: XII

Chapter 08: Supply F.M.: 15

Topic: Elasticity of supply

Date: 27/07/2020

Multiple choice questions

1x15 = 15

1. If the supply curve is vertical, the elasticity of supply will be equal to _____.
 - a. Zero,
 - b. Infinity,
 - c. 1,
 - d. >1.

Ans: a. Zero.

2. A completely elastic supply curve will be _____.
 - a. Upward rising,
 - b. Downward sloping,
 - c. Horizontal,
 - d. Vertical.

Ans: c. Horizontal.

3. In long run elasticity of supply is _____.
 - a. High,
 - b. One,
 - c. Low,
 - d. Zero.

Ans: a. High.

4. If the supply curve is horizontal, the elasticity of supply will be equal to _____.
 - a. Zero,
 - b. Infinity,
 - c. 1,
 - d. >1.

Ans: b. Infinity.

5. A perfectly inelastic supply curve will be _____.
 - a. Upward rising,
 - b. Downward sloping,
 - c. Horizontal,
 - d. Vertical.

Ans: d. Vertical.

6. If the elasticity of supply is zero, it is known as _____ supply.

- a. Elastic,
- b. Inelastic,
- c. Perfectly elastic,
- d. Perfectly inelastic.

Ans: d. Perfectly inelastic.

7. If the supply curve is a straight line through the origin the elasticity of supply at each point of this supply curve will be _____.

- a. Zero,
- b. Infinity,
- c. Unity,
- d. >1 .

Ans: c. Unity.

8. If the elasticity of supply is greater than one, it is known as _____ supply.

- a. Elastic,
- b. Inelastic,
- c. Perfectly elastic,
- d. Perfectly inelastic.

Ans: a. Elastic.

9. If the elasticity of supply is less than one, it is known as _____ supply.

- a. Elastic,
- b. Inelastic,
- c. Perfectly elastic,
- d. Perfectly inelastic.

Ans: b. Inelastic.

10. For factory produced goods the value of elasticity of supply will be _____.

- a. Low,
- b. High,
- c. Zero,
- d. Negative.

Ans: b. High.

11. In case of inelastic supply, percentage change in quantity supplied is _____ than percentage change in price,

- a. Smaller,
- b. Greater,
- c. More,
- d. Zero.

Ans: a. Smaller.

12. When the percentage change in quantity supplied is equal to percentage change in price then the value of supply elasticity will be _____.

- a. Zero,
- b. One,
- c. Negative,
- d. Infinity.

Ans: b. one.

13. For perishable goods the value of elasticity of supply will be _____.

- a. Low,
- b. High,
- c. Zero,
- d. Negative.

Ans: a. Low.

14. For big firm the elasticity of supply will be _____.

- a. Lower,
- b. Higher,
- c. Zero,
- d. One.

Ans: b. Higher.

15. In short run elasticity of supply is _____.

- a. High,
- b. One,
- c. Low,
- d. Zero.

Ans: c. Low.

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