



St. Lawrence High School

A Jesuit Christian Minority Institution

Answer Key 5



Sub: Economics

Class: XII

Chapter 03: Elasticity of demand

F.M: 15

Topic: Definition and types of elasticity of demand

Date: 07/05/2020

Multiple choice questions:

1. Elasticity of demand depends on
 - a. Change of income level,
 - b. Change of price level,
 - c. Change of price of other commodity,
 - d. All of above.

Ans: d. All of above.

2. Change in elasticity of demand refers to
 - a. Unit change ,
 - b. Percentage change,
 - c. Fractional change,
 - d. None of these.

Ans: b. Percentage change

3. Percentage change in quantity demand due to percentage change in any determinants of demand are called as
 - a. Change in quantity demanded,
 - b. Change in demand,
 - c. Elasticity of demand,
 - d. All of above.

Ans: c. All of above.

4. Elasticity of demand is of
 - a. Four types,
 - b. Three types,
 - c. Two types
 - d. None of these.

Ans: b. Three types

5. Which of the following are the factors of elasticity of demand?
 - a. Nature of the commodity,
 - b. Extent of use,

- c. Durability,
 - d. All of above.
- Ans:** d. All of above.

6. Elasticity of demand are of the following types

- a. Price elasticity,
- b. Income elasticity,
- c. Cross price elasticity,
- d. All of these.

Ans: d. All of these.

7. When the price falls

- a. Quantity demand decreases,
- b. Quantity demand increases,
- c. Quantity demand remains same,
- d. None of these.

Ans: b. Quantity demand increases

8. When the price rises

- a. Quantity demand remains same
- b. Quantity demand increases
- c. Quantity demand decreases
- d. None of these

Ans: c. Quantity demand decreases

9. The determination of tax on a product depends on

- a. Price of product,
- b. Elasticity of product,
- c. Production of product,
- d. None of these.

Ans: b. Elasticity of product,

10. A monopolist fixes the prices of his goods on the basis of

- a. Elasticity of demand,
- b. Production,
- c. Govt. policy,
- d. None of these

Ans: a. Elasticity of demand

11. Export policy of a country depends on

- a. Production,

- b. Internal price,
- c. Elasticity,
- d. None of these.

Ans: c. Elasticity,

12. Elasticity has relation ____ with and ____

- a. AR, MR
- b. AR, AC
- c. MR, MC
- d. AC, MC

Ans: a. AR, MR

13. Elasticity is the measurement of ____ responsiveness.

- a. Price,
- b. Money income,
- c. Quantity demand,
- d. None of these.

Ans: c. Quantity demand

14. Elasticity has relation with

- a. AR only,
- b. MR only,
- c. Both of AR and MR,
- d. None of these

Ans: c. Both of AR and MR

15. By elasticity we mean rate of change of

- a. Tastes and preferences
- b. Advertisement
- c. Quantity demanded
- d. Rate of interest

Ans: c. Quantity demanded

Debaleena Ganguly
07.05.2020

