St. Lawrence High School

A Jesuit Christian Minority Institution

Worksheet 23

Sub: Economics **Class: XII**

Chapter 03: Elasticity of Demand **F.M.: 15**

Topic: Revision of entire chapter **Date: 17/06/2020**

Multiple choice questions **1x15 = 15**

1. 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.
2. Elasticity of demand are of the following types__________.
   a. Price elasticity,
   b. Income elasticity,
   c. Cross price elasticity,
   d. All of these.
3. When a small fall in price leads to infinitely large purchases, demand is said to be_______.
   a. Perfectly inelastic,
   b. Elastic,
   c. Perfectly elastic,
   d. All of above.
4. When a change of price causes no change in the amount purchased demand is said to be________.
   a. Elastic ,
   b. Inelastic,
   c. Perfectly elastic,
   d. Perfectly inelastic.
5. For perfectly elastic demand, the demand curve is______.
   a. Horizontal,
   b. Vertical,
   c. Flatter,
   d. None of these.
6. For perfectly inelastic demand, the demand curve is__________.

a. Steeper
b. Horizontal
c. Vertical
d. None of these

7. The value of unitary elastic demand is _____.
   a. zero
   b. infinity
   c. less than one
   d. one
8. Percentage change in quantity demand due to percentage change in income of the consumer is called as_______.
   a. Cross price elasticity of demand,
   b. Price elasticity of demand,
   c. Elasticity of demand,
   d. Income elasticity of demand..
9. The value of income elasticity will be positive when the good is _______.
   a. Inferior,
   b. Normal,
   c. Luxury,
   d. Habitual.
10. For inferior good the value of income elasticity will be ______.
    a. Positive,
    b. Less than one,
    c. Negative,
    d. Greater than one.
11. When the value of income elasticity is greater than one then the good is ______.
    a. Luxury,
    b. Habitual,
    c. Normal,
    d. All of above.
12. For necessary good the value of income elasticity will be _________.
    a. Zero,
    b. One,
    c. Greater than one,
    d. Less than one.
13. Percentage change in quantity demand of one good due to percentage change in price of another good is called
    a. Cross price elasticity of demand,

    b. Price elasticity of demand,
    c. Elasticity of demand,
    d. Income elasticity of demand.

14. The value of cross price elasticity will be positive when the two goods are _______.
    a. Substitute,
    b. Complementary,
    c. Luxury,
    d. Habitual.
15. For complementary goods the value of cross price elasticity will be ______.
    a. Positive,
    b. Less than one,
    c. Negative,
    d. Greater than one.

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