



St. Lawrence High School

A Jesuit Christian Minority Institution



Answer Key 7

Sub: Economics

Class: XII

Chapter 03: Elasticity of demand

F.M: 15

Topic: First two types of price elasticity of demand

Date: 09/05/2020

Multiple choice questions:

1. 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.

Ans: c. Perfectly elastic,

2. 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.

Ans: d. Perfectly inelastic.

3. Percentage change in quantity demand due to percentage change in price of the commodity is called as
 - a. Cross price elasticity of demand,
 - b. Price elasticity of demand,
 - c. Elasticity of demand,
 - d. All of above.

Ans: b. Price elasticity of demand,

4. Price elasticity of demand is of
 - a. Four types,
 - b. Three types,
 - c. Two types
 - d. Five types.

Ans: d. Five types.

5. Which of the following are the factors of price elasticity of demand?
 - a. Price of the commodity,

- b. Extent of use,
- c. Other good's price,
- d. All of above.

Ans: a. Price of the commodity

6. Price elasticity of demand are of the following types

- a. Unit elasticity,
- b. Perfect elasticity,
- c. Perfect inelasticity,
- d. None of these.

Ans: d. None of these.

7. For perfectly elastic demand, the demand curve is

- a. Horizontal,
- b. Vertical,
- c. Flatter,
- d. None of these.

Ans: a. Horizontal

8. For perfectly inelastic demand, the demand curve is

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

Ans: c. Vertical

9. Generally the sign of price elasticity of demand is

- a. Positive,
- b. Negative,
- c. Zero,
- d. None of these.

Ans: b. Negative

10. The value of perfectly elastic demand is

- a. Zero,
- b. Infinity,
- c. One,
- d. None of these.

Ans: b. Infinity

11. The value of perfectly inelastic demand is

- a. Zero,
- b. Infinity,
- c. One,
- d. None of these

Ans: a. Zero

12. For perfectly elastic demand the change of _____ is greater than price.

- a. Tastes and preferences,
- b. Money income,
- c. Quantity demanded,
- d. None of these.

Ans: c. Quantity demanded,

13. For perfectly inelastic demand the change of quantity demand is less than

- a. Income,
- b. Price,
- c. Taste and preferences,
- d. None of these

Ans: b. Price

14. The price level remains almost unchanged for _____ demand.

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

Ans: d. Perfectly elastic

15. The quantity level remains unchanged for _____ demand.

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

Ans: a. Perfectly inelastic

Debaleena Ganguly
09.05.2020