



ST. LAWRENCE HIGH SCHOOL



A Jesuit Christian minority Institution

Subject: Economics Class- XI

Date:13/07/2020

Worksheet-22

Chapter- Demand , supply , market and price

Topic- Supply and its determinants

1. Choose the correct alternative. $1 \times 15 = 15$

- a) Supply refers to i) total production of a particular commodity in a given period of time
ii) amount of commodity offered for sale at any price in a given period of time iii)
amount of good buyers are ready to buy iv) none of these
- b) When supply refers to the total amount of supply by all the sellers in a market, it is
known as i) community supply ii) individual supply iii) market supply iv) none of
these
- c) An important determinant of supply is i) income of the consumer ii) own price of the
good ii) price of the related goods iv) (ii) and (ii) both
- d) Increase in the price of wheat i) will encourage wheat production ii) discourage
wheat production iii) will have no effect on production of wheat iv) none of these
- e) Which of the following are important determinants of supply?
i) Price of inputs ii) price of complementary goods iii) technology iv) none of
these

f) If government increases tax on production of a particular good then i) supply of that
good will be reduced ii) supply of that good will be increased iii) supply is independent of
government tax iv) none of these

g) If the government provides subsidy on production of a commodity , this will i) encourage
supply of that commodity ii) discourage supply of that commodity iii) will have no effect
on supply of that commodity iv) none of these

h) Improvement in technology has i) negative impact on supply of a good ii) no impact on
supply of a good iii) positive impact on supply of a good iv) none of these

i) If labour becomes expensive then producer i) will increase the supply of that good ii) will decrease the supply of that good iii) will be indifferent iv) none of these

j) Expansion of supply refers to a situation when the producers are willing to supply

i) a larger quantity of the commodity at an increased price ii) a larger quantity of commodity due to increased taxation on that commodity iii) a larger quantity of that commodity at the same price iv) a larger quantity of that commodity at a decreased price

k) If good 1 and good 2 are complement then decrease in price of good 1 implies i) increase in supply of good 2 ii) decrease in supply of good 2 iii) increase in supply of good 1 iv) none of these

l) If good 1 and good 2 are substitutes then decrease in price of good 1 implies i) increase in supply of good 2 ii) increase in supply of good 1 iii) decrease in supply of good 2 iv) none of these

m) Which of the following is not a determinant of supply?

i) technology ii) taste and preference of the consumer iii) tax and subsidy iv) price of related goods

n) If price of a good or service changes then i) demand shifts in the same direction ii) supply shifts in the same direction iii) supply shifts in the opposite direction iv) none of these

o) Suppose that there is an increase in input prices. We would expect i) supply to decrease ii) supply to increase iii) supply to remain unchanged iv) supply could increase or decrease

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