



ST. LAWRENCE HIGH SCHOOL

A Jesuit Christian Minority Institution



Worksheet 37

Class: XII

Sub: Economics

Chapter 08: Supply

Topic: law of Supply and its Exceptions

F.M.: 15

Date: 20/07/2020

Multiple choice questions

1x15 = 15

1. According to Law of supply, supply curve is _____.
 - a. Upward,
 - b. Downward,
 - c. Horizontal,
 - d. Vertical.
2. The law of supply states that _____.
 - a. Income rises supply rises,
 - b. Price fall supply rises,
 - c. Price rises and supply also rises,
 - d. Price and income rises.
3. There exist _____ relationship between the price and quantity supplied.
 - a. Inverse,
 - b. Direct,
 - c. Negative,
 - d. Indirect.
4. Higher the price, _____ is the supply of any commodity.
 - a. Higher,
 - b. Lower,
 - c. Constant,
 - d. None of these.
5. If the wage rate increases the amount of labour supplied _____.
 - a. Increases,
 - b. Decreases,
 - c. First increases and then decreases,
 - d. Remains the same.
6. _____ good is one of the exception of law of supply.
 - a. Giffen,
 - b. Inferior,
 - c. Luxury,
 - d. Non reproducible.

7. Supply function states that supply depends on _____.
a. Price,
b. Quantity,
c. Profit,
d. Demand.
8. As the price of a commodity rises, _____ also increases in the market.
a. Demand,
b. Employment,
c. Unemployment,
d. Number of firms.
9. Labour supply curve is _____.
a. Backward bending,
b. Upward rising,
c. Downward sloping,
d. U shaped.
10. If the law of diminishing costs operates in any industry, then the supply curve will be _____.
a. Upward rising,
b. Downward sloping,
c. Horizontal,
d. Vertical.
11. Supply curve is _____.
a. Upward rising,
b. Downward sloping,
c. Horizontal,
d. Vertical.
12. _____ price expectation is one of the exception of law of supply.
a. Past,
b. Present,
c. Future,
d. Real.
13. _____ curve is the supply curve for perfectly competitive market
a. AC,
b. MC,
c. AVC,
d. TC.
14. In the short run the number of firms _____.
a. Increases,
b. Decreases,
c. Remains the same,

d. Nil.

15. Labour supply curve is one of the exceptions of _____.

- a. Law of demand,
- b. Law of supply,
- c. Law of diminishing return,
- d. Law of market.

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