



ST. LAWRENCE HIGH SCHOOL



A Jesuit Christian minority Institution

Subject: Economics Class- XI

Date:20/07/2020

Worksheet-24

Chapter- Demand , supply , market and price

Topic- Law of supply- reasons and exceptions

1. Choose the correct alternative. 1x15=15
- a) With the increase in price, other things remaining the same there is increase in quantity supplied and with the decrease in price there is decrease in quantity supplied, this is known as i) law of demand ii) law of supply iii) law of diminishing marginal utility iv) none of these
- b) As price increases, quantity supplied increases i) to meet excess demand ii) to remain in the market iii) to maximise profit iv) none of these
- c) One of the reasons working behind law of supply is i) the number of firms increases as price of the commodity increases ii) to meet excess demand iii) to remain in the market iv) none of these
- d) If the good is fixed in supply then with the increase in price i) quantity supplied increases ii) quantity supplied decreases iii) quantity supplied remains same iv) none of these
- e) Law of supply does not work in case of i) perishable goods ii) durable goods iii) capital goods iv) none of these
- f) In case of agricultural product law of supply can not be followed because i) land is fixed ii) labour is fixed iii) both (i) and (ii) iv) none of these
- g) Law of supply does not work in case of i) labour supply ii) durable good supply iii) necessary good supply iv) none of these
- h) If producer has the expectation that price of commodity will rise more in future then i) law of supply works ii) law of supply does not work iii) law of demand does not work iv) law of diminishing marginal utility does not work
- i) In case of supply of rare items, supply curve is i) vertical ii) upward sloping iii) downward sloping iv) none of these

- j) Law of supply does not work in case of i) goods which can not be reproduced ii) agricultural good iii) (i) and (ii) both iv) none of these
- k) Labour supply does not increase with increase in wage i) from the beginning ii) after a certain point of time iii) in any circumstances iv) none of these
- l) Which is not a cause for supply to change?
i) subsidy ii) government regulations iii) taste iv) competition
- m) Vertical supply curve indicates i) no change in quantity supplied with the increase in price ii) increase in quantity supplied with increase in price iii) increase in quantity supplied with decrease in price iv) none of these
- n) With the increase in price quantity of vegetables supplied i) increases ii) decreases iii) remains constant iv) none of these
- o) If there is only one supplier (monopoly) in the market then with increase in price
i) quantity supplied may not increase ii) quantity supplied always increase iii) quantity supplied always decrease iv) none of these

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