



St. Lawrence High School

A Jesuit Christian Minority Institution



Answer Key 8

Sub: Economics

Class: XII

Chapter 03: Elasticity of demand

F.M: 15

Topic: Last three types of price elasticity of demand

Date: 11/05/2020

Multiple choice questions:

1x15=15

1. If the percentage change in demand is greater than change in price, it is called
 - a. Elastic demand,
 - b. Inelastic demand,
 - c. Perfectly elastic demand,
 - d. All of above.

Ans: a. Elastic demand

2. If the percentage change in demand is less than the percentage change in price, it is called
 - a. Elastic demand,
 - b. Inelastic demand,
 - c. Perfectly elastic demand,
 - d. Perfectly inelastic demand.

Ans: b. Inelastic demand

3. When the co-efficient of elasticity of demand is more than one, demand is said to be
 - a. Inelastic ,
 - b. Elastic.
 - c. Unit elastic,
 - d. Perfectly elastic.

Ans: b. Elastic

4. When the co-efficient of elasticity of demand is less than one, demand is said to be
 - a. Inelastic ,
 - b. Elastic,
 - c. Unit elastic,
 - d. Perfectly elastic,

Ans: a. Inelastic

5. Price elasticity of demand is of
 - a. Four types,
 - b. Three types,

- c. Two types,
 - d. Five types.
- Ans:** d. Five types

6. When a small fall in price leads to large but not a finite increase in purchase demand is said to be
- a. Elastic,
 - b. inelastic,
 - c. perfectly elastic,
 - d. perfectly inelastic.

Ans: a. Elastic

7. When a fall in price reduces total outlay, but not to zero, demand is said to be
- a. Elastic,
 - b. inelastic,
 - c. Perfectly elastic,
 - d. Perfectly inelastic.

Ans: b. inelastic

8. For elastic demand, the demand curve is
- a. Horizontal,
 - b. Vertical,
 - c. Flatter,
 - d. None of these.

Ans: c. Flatter

9. For inelastic demand, the demand curve is
- a. Steeper,
 - b. Horizontal,
 - c. Vertical,
 - d. None of these.

Ans: a. Steeper

10. Generally the sign of price elasticity of demand is
- a. Positive,
 - b. Negative,
 - c. Zero,
 - d. None of these.

Ans: b. Negative

11. The value of elastic demand is

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

Ans: c. Greater than One.

12. The value of inelastic demand is

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

Ans: c. Less than One

13. For unitary elastic demand the change of _____ is equal to change of price.

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

Ans: c. Quantity demanded

14. For 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

15. The value of unitary elastic demand is _____.

- a. zero
- b. infinity
- c. less than one
- d. one.

Ans: d. one

Debaleena Ganguly
11.05.2020