



ST. LAWRENCE HIGH SCHOOL

A Jesuit Christian Minority Institution



Worksheet 3

Class: XII

Sub: Economics

Chapter 02: Demand

Topic: Law of demand and its exceptions

F.M.: 15

Date: 05/05/2020

Multiple choice questions

1x15 = 15

1. Which of the following is not the exception to the law of demand?
 - a. Speculative market,
 - b. Giffen effect,
 - c. price of substitute,
 - d. luxury product.
2. In case of Giffen goods demand curve
 - a. Sloping upward from right to left,
 - b. sloping downward from left to right,
 - c. sloping upward from left to right,
 - d. none of these.
3. Payment of price or any other consideration involves a
 - a. Gain,
 - b. loss,
 - c. sacrifice,
 - d. none of these.
4. A reasonable man will sacrifice for a commodity which is ----- the worth to him in terms of utility.
 - a. More than,
 - b. less than,
 - c. equal to,
 - d. treble than
5. When the price falls
 - a. Less sacrifice and more purchased,
 - b. more sacrifice and less purchased,
 - c. more sacrifice and more purchased,
 - d. none of these.
6. When the price rises
 - a. Less sacrifice and more purchased,
 - b. more sacrifice and less purchased,

- c. more sacrifice and more purchased,
 - d. none of these.
7. Higher the income ----- is the marginal utility of money.
- a. Higher,
 - b. lower,
 - c. constant,
 - d. none of these.
8. There exist a ----- relationship between the price and quantity demanded.
- a. Inverse,
 - b. direct,
 - c. positive,
 - d. indirect.
9. Which of the following equation shows law of demand
- a. $Q = a + bp$,
 - b. $Q = 10 + 2p$,
 - c. $Q = 35 - 3p$,
 - d. $Q = 10pq$
10. The law of demand states
- a. Income rises demand rises,
 - b. price fall demand rises,
 - c. price rises demand rises,
 - d. income, price and demand rises.
11. ----- and ----- are the exception to the law of demand
- a. Price of substitute,
 - b. speculative market, Giffen good,
 - c. luxury product, price of commodity,
 - d. law of diminishing marginal rate of return, size of household.
12. In case of Giffen goods demand curve sloping upward from -----to -----
- a. Right, left,
 - b. left, right,
 - c. north, south,
 - d. west, east.
13. Law of demand stated by
- a. Benham,
 - b. Marshall,
 - c. Smith,
 - d. Keynes.

14. According to Law of demand demand curve is -----
- a. Upward,
 - b. downward,
 - c. horizontal,
 - d. vertical.
15. Price and quality of a product relationship can be shown by
- a. Snob effect,
 - b. bandwagon effect,
 - c. Veblen effect,
 - d. price effect.

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