



**INDIAN SCHOOL MUSCAT**  
**DEPARTMENT OF COMMERCE AND HUMANITIES**  
**SENIOR SECTION**  
**CLASS – XI**



**INTRODUCTORY MICROECONOMICS (030)**  
**WORKSHEET No: - 04**  
**Unit – 02: Consumer behavior and Demand**  
**Demand Analysis**

Date:-----

**I. Answer in one sentence each (1 mark each)**

- a. Define demand
- b. State law of demand.
- c. Demand for good X decreases as price of good Y increases then the two goods are:
  - (a) Absolute necessities
  - (b) Complementary good
  - (c) Inferior goods
  - (d) Substitute goods
- d. If a good is absolute necessity, then its price elasticity of demand is:
  - (a) Zero
  - (b) Unitary
  - (c) Infinity
  - (d) Inelastic
- e. Draw a relatively inelastic demand.

**II. Answer in around 60 words. (3 marks each)**

- (a) State law of demand. Explain with a schedule and diagram.
- (b) Consider two commodities Tea and Coffee. What could be the effect on demand for Tea if price of coffee falls. Explain with reason and suitable diagram.
- (c) Government declares a compulsory festival bonus of ₹10000/- to all workers working in the country. Explain the likely impact on the demand for refrigerators in the country?
- (d) Distinguish between normal good and inferior good. Use examples.
- (e) What are the causes of shift in demand to right?
- (f) Distinguish between complementary good and substitute good with examples.
- (g) Law of demand holds good only under certain assumptions. What are these?
- (h) State meaning of:
  - i. Direct demand
  - ii. Derived demand
  - iii. Joint demand
- (i) Distinguish between expansion of demand and increase in demand. Use diagram

**III. Answer in around 75 words. (4 marks each)**

- a. What does change in demand mean? Explain using diagram.
- b. What does change in quantity demanded mean? Explain using diagram.
- c. Define market demand curve. Explain with the help of a diagram.
- d. Why does demand curve slope down ward? Explain the reasons behind this.
- e. Distinguish between movement along the same demand curve and shift in demand.

