



INDIAN SCHOOL MUSCAT

Introductory Microeconomics

Class : 12

Worksheet on Demand analysis

Reference:

NCERT text book

Date of submission

-----2017

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VERY SHORT ANSWER QUESTIONS (Answer in one sentence each/MCQ)

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

SHORT ANSWER QUESTIONS (3 Marks. Answer in around 60 words)

- State law of demand. Explain with a schedule and diagram.
- 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.
- Government declares a compulsory festival bonus of Rs.10000/- to all workers working in the country. Explain the likely impact on the demand for refrigerators in the country?
- Distinguish between normal good and inferior good. Use examples.
- Distinguish between complementary good and substitute good with examples.
- Law of demand holds good only under certain conditions. What are these?

SHORT ANSWER QUESTIONS (4 Marks. Answer in around 75 words)

- 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.

LONG ANSWER QUESTIONS (6 Marks. Answer in around 100 words)

- a. Define price elasticity of demand. State the meaning of five cases of price elasticity of demand with suitable diagram.
- b. What are the important factors that influence price elasticity of demand for a good? Explain each
- c. Explain the impact of demand for a good when:
 - i. Income of the consumer changes
 - ii. Price of related good changes
 - iii. Taste and preference of the consumer changes.
