



SARALA BIRLA PUBLIC SCHOOL

Mahilong, Ranchi

Revision Test (Economics)

Micro-Economics

Fill in the blanks

1. In case of goods, demand rises with increase in income.
2. The law of demand states the relationship between price and quantity demanded.
3. With increase in price of coke by 22%, its demand falls by 25%. This indicates that demand for coke is
4. If there is no change in demand for commodity X, even after rise in its price, its demand is
5. A perfectly elastic price- demand curve is to the X- axis.

True and False

6. Demand for a given commodity can be specified irrespective of its price.
7. 'Ceteris Paribus' clause in the law of Demand means that the price of the given commodity does not change.
8. When the percentage increase in demand of a commodity is more than percentage increase in price then demand curve is steeper.
9. Demand is more elastic in the long period than in the short period.
10. In case of horizontal straight line demand curve, demand does not change even with change in price.

Answer the following

11. What is meant by price elasticity of demand? Explain any two factors that affect it.
12. Explain the degrees of elasticity of demand with the help of diagram. (any three)
13. Distinguish between complementary goods and substitute goods.
14. Discuss briefly the various exceptions of Law of Demand.
15. What do you mean by Arithmetic Mean? Find Arithmetic Mean from the following series using step- deviation method.

Class Interval	0-10	10-20	20-30	30-40	40-50	50-60	60-70	70-80
Marks	7	13	20	25	10	8	6	1