



# ECONOMICS

# BOOKS - FULL MARKS ECONOMICS (HINGLISH)

# DEMAND

Ncert Textbook Questions Solved

**1.** Suppose there are two consumers in the market for a good and their demand functions

are as follows :

 $* d_1(p) = 20 - p$  for any price less than or equal to 15, and  $d_1(p) = 0$  at ant price greater than 15.

 $*\,d_2(p)=30-2p$  for any price less than or equal to 15 and  $d_1(p)=0$  at any price greater

than 15.

Find out the market demand function.



2. Suppose there are 20 consumers for a good and they have identical demand functions : d(p) = 10 - 3p for any price less than or equal to  $\frac{10}{3}$  and  $d_1(p)0$  at any price greater than  $\frac{10}{3}$ . What is the market demand funciton ?

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**3.** Consider a market where there are just two consumer and suppose their demands for the

#### good are given as follows:

P	<i>d</i> <sub>1</sub>	d2
1	9	24
2	8	20
3	7	18
4	6	16
5	5	14
6	4	12

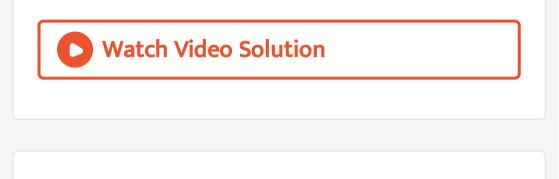
Calculate the market demand for the good.

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#### 4. What do you mean by a normal good?

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**5.** When a good is called normal goods ?



6. What do you mean by an 'inferior good'?

Give some examples.

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**7.** Give the meaning of inferior good and explain the same with the help of an example.

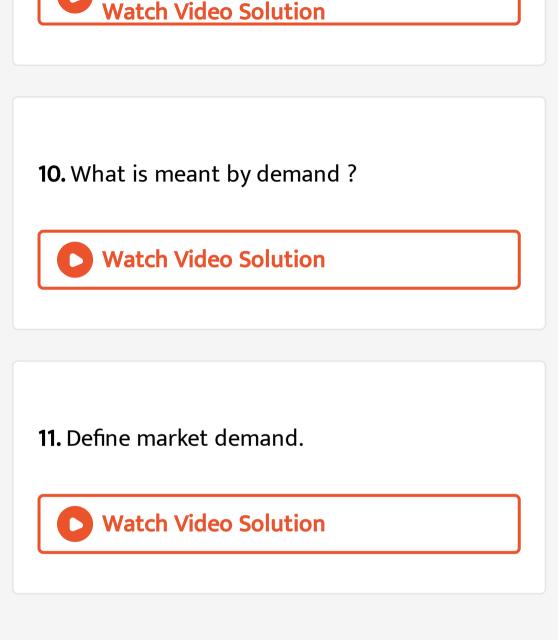


8. What do you mean by substitutes? Give examples of two goods which are substitutes of each other.

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9. What do you mean by complements? Give examples of two goods which are complements of each other.





**12.** Due to rise in price of commodity x the demand of commodity y falls. What type of commodity are they?



**13.** Due to rise in price of commodity x the demand of commodity y falls. What type of

commodity are they?



14. How will an increase in the price of petrol

affect the demand curve of a car?



**15.** A fall in the income of the consumer leads to a rise in the demand for a good. What is good X called?



**16.** What is meant by the law of demand?



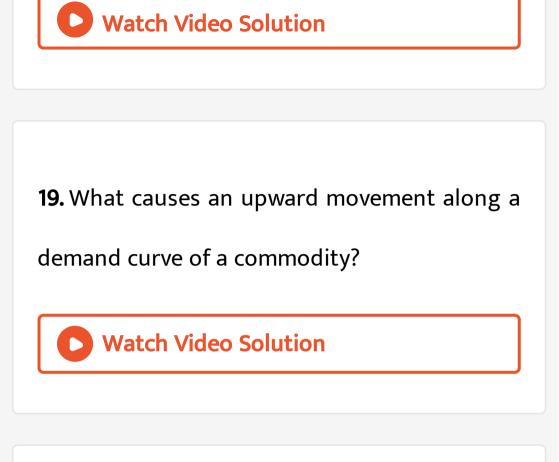
17. When the demand for a good rises due to a

fall in its own price, what is the change in

demand called?



18. Define 'change in demand'.



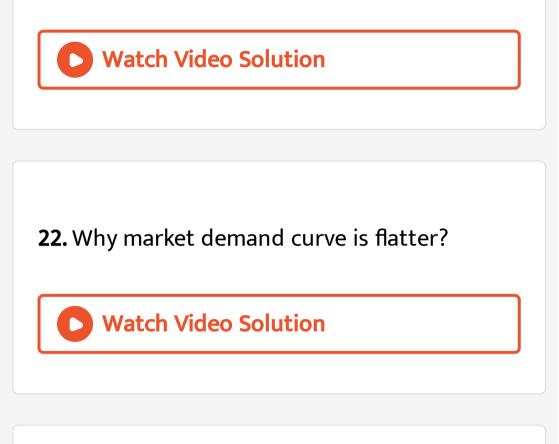
#### 20. Give one reason for a shift in demand

curve.

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21. What determines the quantity of a good

that the buyers demand for?



**23.** Ceteris Paribus, if the government provides subsidies on electricity bills, what would be

the likely change in the market demand of

desert coolers?



**24.** Demand for a commodity refer to :

A. 1. quantity of the commodity demanded

at a certain price during any particular

period of time.

- B. 2.need for the commodity.
- C. 3.quantity demanded of that commodity.

D. 4.demand decreases

Answer: d

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**25.** Contraction of demand is the result of:

A. 1.decrease in the number of consumers.

B. 2.increase in the price of goods concerned.

C. 3. increase in the prices of other goods.

D. 4.decrease in the income of purchasers.

#### Answer: b

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**26.** All but one of the following are assumed to remain the same while drawing an individual's demand curve for a commodity. Which one is it?

A. The preference of the individual.

B. His monetary income.

C. Price.

D. Price of related goods.

Answer: c

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27. Which of the following pairs of goods is an

example of substitutes ?

A. 1.Tea and sugar.

- B. 2.Tea and coffee.
- C. 3.Pen and ink
- D. 4.Shirt and trousers.

#### Answer: b

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28. The law of Demand, assuming other things

to remain constant, establishes the

relationship between :

A. 1.income of the consumer and the quantity of goods demanded by him.
B. 2.price of goods and the quantity demanded.

C. 3.price of goods and the demand for its substitute

D. 4.quantity demanded of goods and the relative prices of its complementary goods.

Answer: b

**29.** If regardless of changes in its price, the quantity demanded of a good remains unchanged, then the demand curve for the good will be:

A. horizontal

B. vertical

C. positively sloped.

D. negatively sloped.

#### Answer: b



**30.** Suppose the price of pepsi increases, we will expect the demand curve of Coca-Cola to:

A. shift towards left.

B. shift towards right.

C. initially shift towards left and then to

right.

D. remain at the same level.

Answer: b

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**31.** All of the following items are determinants of demand except:

A. 1.tastes and preferences.

B. 2.quantity supplied.

C. 3.income.

D. 4.Price of related goods.

Answer: b

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**32.** A movement along the demand curve for soft drinks is best described as:

A. an increases in demand.

B. a decrease in demand.

C. a change in quantity demanded.

D. a change in demand.

Answer: c

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**33.** If the price of Pepsi decreases relative to the price of Coke and 7-UP, the demand for

A. Coke will decrease.

B. 7-UP will decrease.

C. Cock and 7-UP will increase.

D. Coke and 7-UP will decrease.

#### Answer: d

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**34.** The price of tomatoes increases and people buy tomato puree. You infer that tomato puree and tomatoes are:

A. 1.normals goods

B. 2.complements

C. 3. substitutes

D. 4.inferior goods

#### Answer: c



**35.** Potato chips and popcorn are substitutes.A rise in the price of potato chips will ...... The demand for popcorn and the demand of potato chips will .....

- A. 1.increase, increase
- B. 2. increase, decrease
- C. 3.decrease, decrease
- D. 4.decrease, increase

Answer: b

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**36.** When total demand for a commodity whose price has fallen increases, it is due to :

- A. 1.income effect
- B. 2. substitution effect
- C. 3.complementary effect
- D. 4.price effect

Answer: d

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**37.** With a fall in the price of a commodity:

A. 1.consumer's real income increases

B. 2.consumer's real income decreases

C. 3.there is no change in the real income

of the consumer

D. 4.None of these.

Answer: a

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**38.** Goods that exhibit direct price-demand relationship are called:

- A. 1.giffen goods
- B. 2.complementary goods
- C. 3.Substitutes goods
- D. 4.None of these.

Answer: a

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39. In case of Giffen goods, the demand curve

will be :

A. horizontal.

B. downward-sloping to the right.

C. vertical

D. upward-sloping to the right.

Answer: d

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**40.** Law of Demand is a :

A. 1.quantitative statement

B. 2.qualitative statement

C. 3.Both (a) and (b)

D. 4.None of these.

#### Answer: b

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**41.** When income of the consumer falls the impact on price-demand curve of an inferior good is :

- A. Shift to the right
- B. Shift to the left
- C. There is downward movement along the

curve.

D. There is downward movement along the

curve.

Answer: a

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**42.** If due to fall in the price of good X, demand for good Y rises, the two goods are :

A. 1.Substitutes

B. 2.Complements

C. 3.Not related

D. 4.Completitive

Answer: b

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43. Does a rise in price of other goods have

the same effect on demand for a commodity ?



44. Does a fall in income have the same effect

on demand for the given commodity?

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**45.** What is the relation between good x and good y in each case, if with a fall in price of x

demand for good y (i) rises and (ii) falls? Give

reason.



**46.** Giving reasons, state the following statements are true or false:

(i) An increase in the price of Coke would result in decrease in the demand for Pepsi.(ii) An increase in the price of sugar would result in an increase in the demand for tea.An increase in the income of a consumer would result in an increase in demand for all types of goods that are demanded by a consumer.

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47. Differentiate between Normal Goods and

inferior Goods.

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48. Differentiate between substitute goods

and complementary goods.

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**49.** Explain law of demand with the help of a demand schedule.

**50.** Law of demand is one sided. It explains only the effect of change in price on the quantity demanded. It states nothing about the effect of change in quantity demanded on the price of the commodity.



51. State any three causes of a rightward shift

of a demand curve of a commodity.

**52.** State any three factors which lead to increase in demand.

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53. Under what conditions a consumer would

like to demand less at a given level of price ?

54. State any three causes of a leftward shift

of a demand curve of a commodity.



**55.** State any three factors which lead to decrease in demand.



**56.** Differentiate between increase in demand and expansion in demand (increases in quantity demanded).



57. Differentiate between decrease in demand

and contraction in demand (decrease in

quantity demanded).



58. Explain the inverse relationship between

the price of a commodity and its demand.



59. Why does law of demand slope downward

from left to right ?

60. Why do household buy more at a lower

price than at a higher price ?

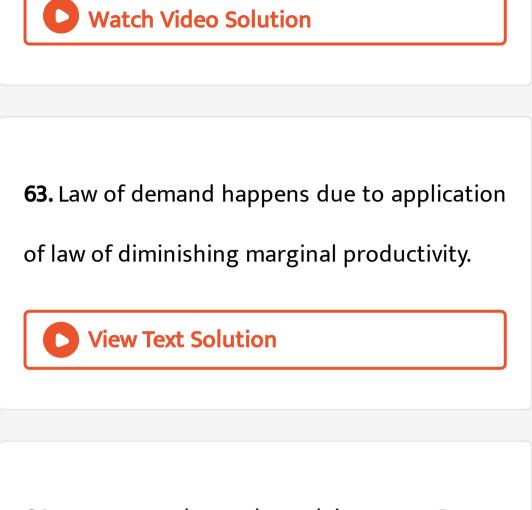


**61.** Explain the causes behind law of demand.

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**62.** Law of demand states that price and

demand are positively related to each other.



**64.** Law on demand explains quanūtauve relationship between price and quantity demanded.



**65.** Change in quantity demanded means an increase and decrease in demand and Change in demand curve means expansion and contraction in demand.

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66. With a fall in income, demand for normal

goods will rise.

**67.** With the rise in price, quantity demanded for the goods falls and it is known as decrease in demand.



68. If price of substitute goods falls, demand

for related goods will also fall ?



69. If income of the buyer decreases, demand

for inferior goods decreases.

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**70.** If indian Airlines reduce fares from Delhi to Mumbai, demand curve for air travel shifts rightward.

**71.** Explain with the help of diagrams, the effect of the following changes on the demand of a commodity:

(i) A rise in price of Substitute good.

(ii) A rise in price of Complementary good.

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**72.** Explain with the help of diagrams, the effect of the following changes on the demand of a commodity:

(i) A fall in price of Substitute good.

(ii) A fall in price of Complementary good.



73. Explain the effect of the following on

demand for a good:

- (i) Rise in Income for Normal Goods.
- (ii) Rise in Income for Inferior Goods.

**74.** Explain the effect of the following on demand for a good:

(i) Fall in Income for Normal Goods.

(ii) Fall in Income for Inferior Goods.

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75. What does downward movement along the

demand curve indicate?

**76.** Does a change in consumer's taste lead to a movement along the demand curve or a shift in the demand curve? Does a change in price lead to a movement along the demand curve or a shift in the demand curve?

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## 77. Law of Demand is a qualitative statement.

Comment.

**78.** According to law of demand by increasing the price of a good its demand decreases but in case of petrol, its demand increases with the increases in price why? Explain.

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**79.** What policy initiatives can be government

undertake to increase the demand of milk in

the country? Mention any one.

**80.** Demand for electricity has increased. However supply cannot be increased due to lack of resources. Explain how, in any two ways, demand for electricity can be decreased.

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81. Even the price of petrol is very high but still

its demand is very high. How can the demand

of petrol be decreased?

**82.** A new steel plant comes up in Jharkhand. Many people who were previously unemployed in the area are now employed. How will this affect demand curve for TV?



**83.** In order to encourage tourism in Goa, Indian Airlines reduces the air fare to Goa.

How will it affect market demand curve for air

travel to Goa?



**84.** There are train and bus services between New Delhi and Jaipur. Suppose that the train fare between the two cities comes down. How will this affect demand curve for bus travel between the two cities?



**85.** A good is an inferior good for one and at the same time a 'normal' good for another consumer. Do you agree? Explain.

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**86.** Normally a household will not buy a second-hand scooter even if the price of scooter falls. How we get a downward sloping market demand curve for scooters?

**87.** Give reason that Law of demand does not hold true when the prices are expected to go up further.

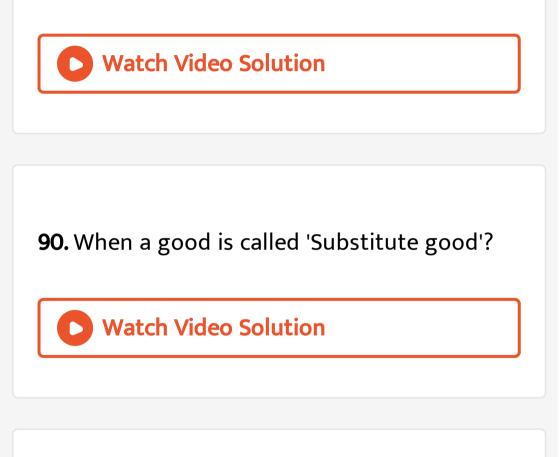


## 88. What does downward movement along the

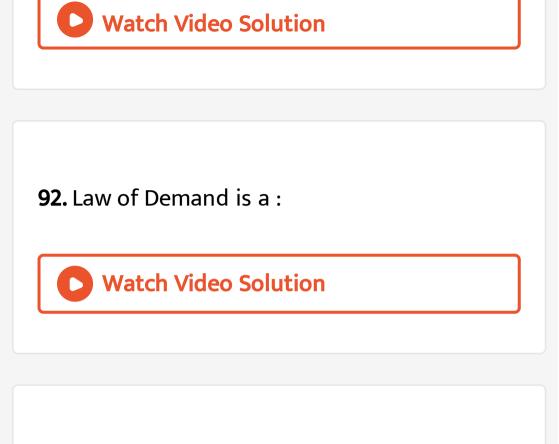
demand curve indicate?

89. Give one example when a consumer buys

less of a commodity at the same price.



**91.** Why market demand curve is flatter than individual demand curve ?



93. A good is an inferior good for one and at

the same time a 'normal' good for another

consumer. Do you agree? Explain.



94. State any three causes of a leftward shift

of a demand curve of a commodity.



**95.** What is the impact of the following statements on the demand curve for good X ? Give reasons.

(a) Consumer's income rises and good X is a normal good.

(b)Consumer's income falls and good X is an

inferior good.

(c) Price of complementary good Y rises.