



ECONOMICS

BOOKS - SANDEEP GARG ECONOMICS (HINGLISH)

SUPPLY

Example

1. The supply schedule for three firms (X,Y and Z) are given below . Derive the market supply

schedule:

Price (₹)	Firm X	Firm Y	Firm Z
1	5	7	10
2	7	9	12
3	10	15	18
4	15	20	25
5	20	30	27



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2. There are the firms A, B and C in a market .

The supply schedule for the market and that

for firms A and B is given below. Prepare the

supply schedule for firm C.

Price (₹)	Firm A (units)	Firm B (units)	Firm C (units)	Market supply (units)
10	0	25	—	35
20	10	30	—	60
30	20	35	—	80
40	30	40	—	110
50	40	45	—	135



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3. The supply function of a commodity x is given by $Q_s = 20 + 3P_x$. Prepare the supply schedule, if price of commodity x varies from ₹5 to ₹2 :



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4. With the help of supply function $Q_s = -10 + 2p$, answer the following

quwstions:

(i) Calculate supply at price of ₹ 7, (ii) At work price, supply will be be 0, (iii) Calculate the price at which firm will be wiling to supply 50 units.



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5. Suppose there are two producers in the producrs in the market for a commodity and their supply functions are follows:

$Q_1 = - 30 + 3p$ for any price more than or equal

to 10 and $Q_1 = 0$ at any price less than 10.

$Q_2 = -20 + 2p$ for any price more than or equal

to 10, and $Q_2 = 0$ at any price less than 10.

Find out the market supply function .



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6. If price of a commodity falls from ₹ 60 and ₹58 per units , its supply falls from 400 units to 300 units . Find out its elasticity of supply.



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7. Price of a commodity decreases by ₹5 per unit and due to this, supply decreases from 100 units to 50 units. Determine price elasticity of supply, if original price was ₹15, per units.



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8. The supply for a good is 50 units at the prices of ₹10. When price rises by ₹5, supply also rises by 50 units. Calculate price elasticity of supply.



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9. The price of a commodity is ₹12 per unit and its quantity supplied is 500 units. When its price rises to ₹15 per units, its quantity supplied rises to 650 units. Calculate its price elasticity of supply. Is supply elastic?



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10. The supply for good rises to 850 units in response to rise in price by ₹1. If the original

supply was 600 units at the prices of ₹ 4, calculate price elasticity of supply .



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11. Calculate price elasticity of supply when

(i) The price rises from ₹2 to ₹ 3 for both A and

B.

(ii) Why are their elasticities different ?

Price (₹)	Firm A's Supply (in units)	Firm B's Supply (in units)
1	20	0
2	40	20
3	60	40
4	80	60
5	100	80



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12. When price of a commodity falls by 20%, the quantity supplied decreases by 25%. Find out its price elasticity of supply.



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13. When price of a commodity becomes twice the original price, the quantity supplied increased by an amount equal to 4 times of original quantity supplied. Calculate the coefficient of price elasticity of supply .



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14. When the price of a good falls from ₹ 8 per unit to ₹6 per unit, its supply falls by 25 units from 125 units. Calculate elasticity of supply (E_s) by percentage method.



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15. The price of a commodity is ₹10 per unit and its quantity supplied is 500 units. If its

price falls by 10 per cent and quantity supplied falls to 400 units, Calculate its price elasticity of supply.



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16. Qunatity supplied of a commodity increases by by 20% when its price rises from ₹4per unit to ₹ per unit. Caculate elastic of supply.



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17. The coefficient of elasticity of supply of a commodity is 2. A seller supplies 20 units of this commodity at a price ₹10 per units. Calculate the quantity supplied when price rises by ₹2.



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18. At a price of ₹8 per unit, the quantity supplied of a commodity is 200. Its price elasticity of supply is 1.5. If its price rises to

₹10 per unit, calculate its quantity supplied at the new price.



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19. The Price elasticity of supply of a commodity is 2.5. At a price of ₹5 per unit, its quantity supplied is 300 units. Calculate its quantity supplied at a price of ₹5 per units, its quantity supplied is 300units . Calculate its quantity supplied at a price of ₹4 per unit.



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20. The price elasticity of supply of a commodity is 2. When its price falls from ₹10 per units to ₹8 per unit, its quantity supplied falls by 500 units . Calculate the quantity supplied at the reduced price.



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21. The coefficient of elasticity of supply of a commodity A is 3. How much quantity of the

commodity will a seller supply when price rises by ₹1, if he supplies 30 units at ₹3 per unit ?



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22. The ratio of change in price (ΔP) to original price (P) for a commodity is 0.6. If price elasticity of supply is 1.5, calculate the percentage change in supply.



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23. Commodities X and Y have equal price elasticity of supply. The supply of X rises from 400 units to 500 units due to a 20 per cent rise in its price. Calculate the percentage fall in supply of Y if its price falls by 8 per cent.



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24. The price elasticity of supply of commodity X and Y are equal. The price of X falls from ₹10 to ₹8 per unit and its quantity supplied falls by

16 per unit. The price of Y rises by 10 per cent.

Calculate the percentage increase in its supply.



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25. The price elasticity of supply of good X is half the price elasticity of supply of Good Y. A 10% rise in the price of good Y results in a rise in its supply from 400 units to 520 units. Calculate the percentage change in quantity

supplied of good X when its price falls from ₹10 to ₹8 per unit.



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26. The ratio of elasticity of supply of commodities A and B is 1:1.5. 20 per cent fall in price of the A result in a 40 per cent fall in its supply. Calculate the percentage increase in supply of B if its price rises from ₹10 per unit to ₹11 per units.



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27. The supply curve of commodity 'B' passes through the origin and makes an angle of 60° . When its price rises by 40% its quantity supplied rises by 10 units. Calculate its original supply.



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28. A produce received ₹ 6,000 when the price of a commodity was ₹60 per units. The receipts increased to ₹8,400 when price

increased by ₹10. Calculate the elasticity of supply?



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29. At a price of ₹5 per units of commodity A, total revenue is ₹ 800. When its price rises by 20 percent, total revenue by ₹400. Calculate its price elasticity of supply .



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30. When price of a commodity falls by just 10%, the total revenue of a firm become half of the original total revenue. If at the new prices if ₹45, only 10 units are supplied, calculate original quantity and price elasticity of supply.



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Higher Order Thinking Skills Questions

1. What is the price elasticity of supply, when:
(a) Supply curve passes through the origin, (b)
Supply curve is vertical straight line: (c) Supply
curve is a horizontal straight line.



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2. Trendz produces both Jeans and Shirts. How
will an increase in the price of jeans affect the
supply curve of shirts?



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3. There are three different supply curves passing through the origin. Curve A makes an angle of 60° Curve B makes an angle of 45° and curve C makes an angle of 30° . What will be the price elasticity of curves A, B and C?



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4. Indicate whether the following will lead to expansion, contraction, increase or decrease in supply.

- (i) Installation of a new machine, resulting in fall in cost of production.
- (ii) An increase in the price of the given commodity.
- (iii) An increase in wages of the employees leading to rise in cost of production.
- (iv) A firm deciding to maximise sales instead of profits.
- (v) Imposition of tax on the production of a commodity.
- (vi) A fall in price of a commodity whose supply curve is being considered.

(vii) An increase in the prices of other commodities.



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5. Given one point of different between individual supply and market supply.



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6. Supply curve is the rising portion of marginal cost curve over and above the

minimum of Average Variable cost curve. Do you agree? Support your answer with valid reason.



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True False

1. Constriction of supply occurs due to change in factors other than price of the given commodity.



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2. Supply is always unitary elastic for all supply curves starting from the origin.



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3. A producer changes supply of a commodity only when there is change in price of the given commodity



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4. In case of zero elastic supply, supply curve is a horizontal straight line.



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5. A fall in productivity of wheat due to a cyclone will lead to a downward movement along the same supply curve of wheat.



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6. Law of Supply does not indicate the magnitude of change in quantity supplied of a commodity due to change in its price



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7. A cost saving technology shifts the supply curve of a commodity towards left.



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8. An increase in excise tax leads to fall in supply of the given commodity, without any change in its market price.



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9. A supply curve cutting quantity axis in its positive range has highly elastic supply.



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10. A fall in price of wheat will shift the supply curve of rice towards left.



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11. Individual supply curves are steeper as compared to market supply curve.



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12. An increase in number of firms leads to 'Expansion in Supply'.



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13. An infinitely elastic supply curve is parallel to the price axis.



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14. The following supply schedule is unitary elastic.

Price in ₹	1	2	3	4	5
Supply in units	100	200	300	400	500



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15. An increase in the price of Limca may reduce the supply of cake .



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16. If the proportionate change in the quantity supplied of a commodity is less than the proportionate change in its price, price elasticity is greater than unity.



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17. Discoveries, innovation and technological development will lead to fall in supply of the given commodity.



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18. In market period, supply can adjust itself to the changing demand.



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19. The supply curve of a good shifts to the right when prices of other goods rise.



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20. Price elasticity of supply is equal to one only when the supply curve forms an angle of 45° at the origine.



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Guidelines

1. What is the supply curve of a firm in the short run ?



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2. What is the supply curve of a firm in the long run ?



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3. How does technological progress affect the supply curve of a firm ?



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4. How does the imposition of a unit tax affects the supply curve of a firm ?



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5. How does an increase in the price of the an input of affect the supply curve of firm ?



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6. How does an increase in the price of an input affect the market supply curve ?



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7. What is the price elasticity of supply mean ?

How do we measure it ?



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8. Consider a market with two firms. The following table shows the supply schedules of the two firms: the SS_1 column gives the supply schedule of firm 1 and the SS_2 column gives the supply schedule of firm 2. Compute the market supply schedule.

Price (₹)	SS_1 (in units)	SS_2 (in units)
0	0	0
1	0	0
2	0	0
3	1	1
4	2	2
5	3	3
6	4	4



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9. Consider a market two firms. In the following table, columns labelled as SS_1 and SS_2 gives the supply schedules of firms 1 and firms 2 respectively. Compute the market supply schedule.

Price (₹)	SS_1 (Kg)	SS_2 (Kg)
0	0	0
1	0	0
2	0	0
3	1	0
4	2	0.5
5	3	1
6	4	1.5
7	5	2
8	6	2.5



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10. There are three identical firms in a market. The following table shows the supply schedule of firm 1. computer the market supply schedule.

Price (₹)	SS ₁ (units)
0	0
1	0
2	2
3	4
4	6
5	8
6	10
7	12
8	14



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11. A firm earns a revenue of ₹ 50 when the market price of a good is ₹10. The market price

increases to ₹15 and the firm now earns a revenue of ₹150. What is the price elasticity of the firm's supply curve ?



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12. The market price of a good changes from ₹5 to ₹20. As result, the quantity supplied by a firm increase by 15 units. The price elasticity of the firm's supply curve is 0.5 . Find the initial and final output levels of the firms.



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13. At the market price of ₹10, a firm supplies 4 units of output. The market price increases to ₹30. The price elasticity of the firm's supply is 1.25. What quantity will the firm supply at the new price?



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Multiple Choice Questions Mcqs

1. In the long period , the supply for a commodity is :

A. Perfectly Inelastic

B. Less Elastic

C. Highly Elastic

D. Perfectly Elastic

Answer: C



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2. Which of the following is not a essential element of supply ?

A. highly elastic

B. Unitary elastic

C. Perfectly inelastic

D. Less elastic

Answer: B



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3. Which one of the following is the result of increase in price of factors of production ?

A. Price of the commodity

B. Period of time

C. Willingess to buy

D. Quantity of the commodity

Answer: C



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4. Market period is a time period during which :

A. Rightward shift in supply curves

B. Leftward shift in supply curve

C. Expansion in supply

D. Contraction in supply

Answer: B



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5. In case of __ supply falls at the same price.

- A. decrease in supply
- B. contraction in supply.
- C. increase in supply
- D. expansion in supply

Answer: A



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6. In case __ , Supply curve is a vertical straight line parallel to the Y-axis.

- A. perfectly elastic supply.
- B. unitary elastic supply.
- C. perfectly inelastic supply.
- D. less elastic supply.

Answer: C



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7. Which one of the following is not a determinat of Individula supply ?

A. Price of the commodity

B. taxation policy

C. state of technology

D. No. of firms

Answer: D



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8. Which one of the following is not a determinant of Individual supply ?

A. Price of the given commodity

B. Taxation Policy

C. Less elastic

D. Number of Firms

Answer: D



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9. A straight line supply curve cuts the Y-axis in its negative range. What is the elasticity of supply ?

- A. highly elastic
- B. Unitary elastic
- C. Less elastic
- D. Perfectly Elastic

Answer: C



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10. Change in the price of the given commodity will lead to :

- A. Expansion in Supply
- B. contraction in supply
- C. either (a) or (b)
- D. Neither (a) and (b)

Answer: C



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11. The given supply schedule represents __.

Price (₹)	20	20
Supply (Units)	100	120

- A. Expansion is Supply
- B. Increase in supply
- C. Constrictin in Supply
- D. Decrease is supply

Answer: B



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12. Price Elasticity of Supply of a good is 2. It shows that:

- A. Inelastic supply
- B. less elastic supply
- C. unitary elastic supply
- D. highly elastic supply

Answer: D



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13. Elasticity of supply is said to be perfectly inelastic when.

A. $E_s = 0$

B. $E_s = 1$

C. $E_s > 1$

D. $E_s < 1$

Answer: A



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14. Which of the following statement is not valid with respect to 'Law of Supply'

A. indicate the magnitude of change in supply due to change in demand.

B. states one sided between price and quantity supplied.

C. does not establish proportional relationship between change in price and change in supply.

D. states the direct relation between price and quantity supplied.

Answer: A



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15. Supply is said to be unitary elastic, when :

A. Supply curve is a straight line passing through the origin .

B. Supply curve makes an intercept on the positive Y-axis.

C. Supply curve makes an intercept on the positive X-axis .

D. Supply curve is a horizontal straight line parallel to the X-axis.

Answer: A



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16. Due to installation of machine with latest technology, the cost of production has decreased. It will lead to :

- A. Expansion is Supply
- B. Increase in supply
- C. Constrictin in Supply
- D. Decrease is supply

Answer: B



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17. The market supply of a commodity is affected by:

A. State of Technlogy

B. Number of firms

C. Government policy

D. All of these

Answer: D



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18. In case of less elastic supply, supply curve:

A. Makes an intercept on the positive X-axis

B. is a vertical straight line parallel to the

Y-axis

C. Makes an intercept on the positive Y-axis

D. is a horizontal straight line parallel to

the X-axis

Answer: A



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19. "Increase in Supply" of a product is caused by:

A. Improvement in Technology

B. Fall in Prices of Factors of Production

C. Fall in the Prices of other goods

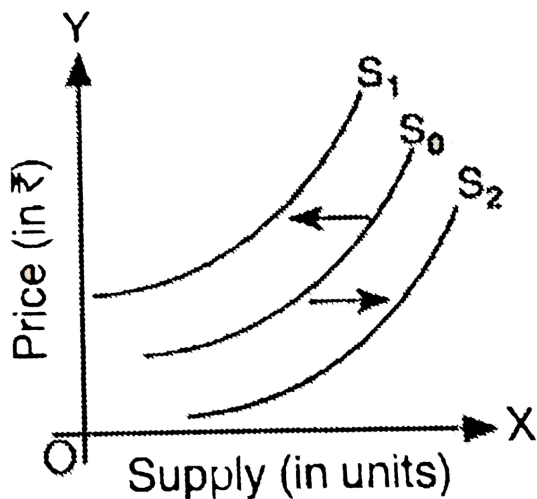
D. All of these

Answer: D



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20. The supply curve of a given commodity is given to be S_0 . On the basis of this diagram, answer the following questions:



Movement from S_0 to S_1 is termed as :

A. Constrictin in Supply

B. Expansion is Supply

C. Decrease in supply

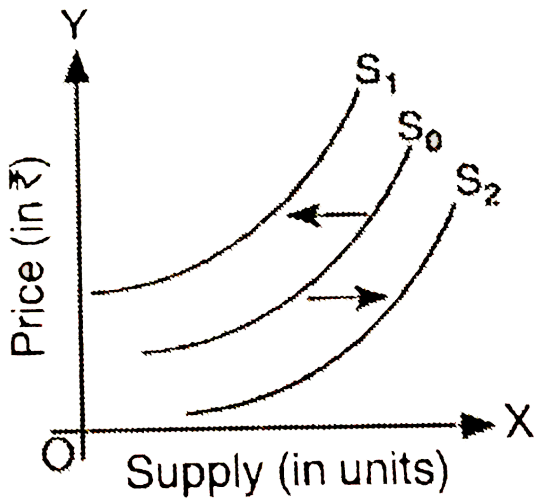
D. Increase in supply

Answer: C



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21. The supply curve of a given commodity is given to be S_0 . On the basis of this diagram, answer the following questions:



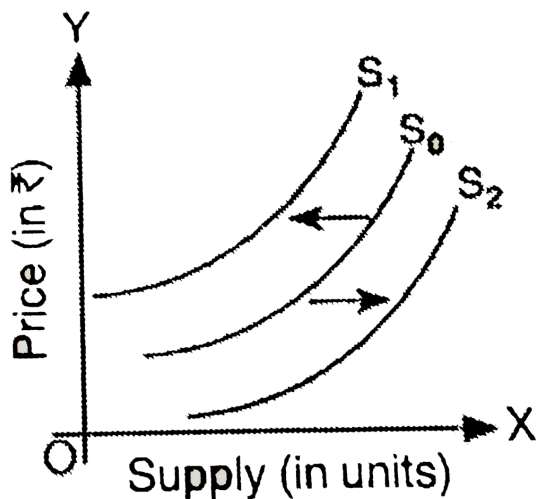
Movement from S_0 to S_2 is caused by :

- A. Increase in price of given product
- B. Increase in the price of the inputs
- C. Technological Upgradation
- D. Decrease in price of given product

Answer: C

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22. The supply curve of a given commodity is given to be S_0 . On the basis of this diagram, answer the following questions:



Increases in cost of production of this commodity will lead to :

- A. Movement from S_0 to S_1
- B. Movement form S_0 to S_2
- C. Upward movement along the S_0
- D. No change at all

Answer: A



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23. If quantity supplied increases by 60 % due to a 50% increase in price, then elasticity of Supply is:

A. $(-1)1.2$

B. $(+)1.2$

C. $(-)0.83$

D. $(+)0.83$

Answer: B



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24. The supply function of a product X is given as: $S_x = 6P_x + 3$, where P_x stands for price. The price of 5 will be:

A. 18

B. 9

C. 33

D. 14

Answer: C



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25. The supply function of a product X is given as: $S_x = 6P_x + 3$, where P_x stands for price. At what price the firm will be willing to supply 27 pieces in the market?

A. ₹2

B. ₹5

C. ₹3

D. ₹4

Answer: D



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26. The supply function of a product X is given as: $S_x = 6P_x + 3$, where P_x stands for price. 1,000 firms in the market, then market supply for the product at market price of 4 will be:

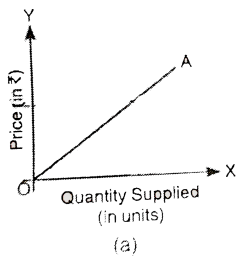
- A. 20,000 units
- B. 27,000 units
- C. 23,000 units
- D. 21000 units

Answer: C

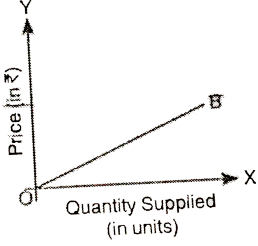


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27. which of the following diagram correctly depicts the situation of Unitary Elastic Supply ?

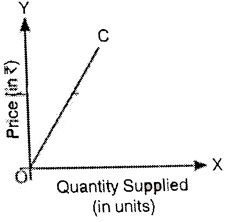


A.



B.

(b)



C.

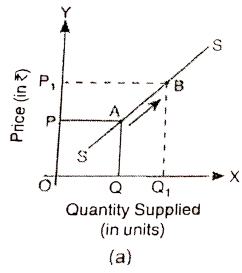
(c)

D. All of these

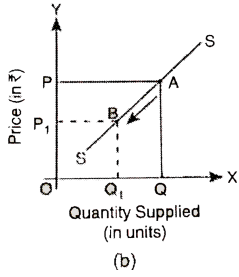
Answer: D

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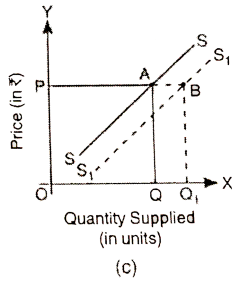
28. Expansion in Supply is shown in :



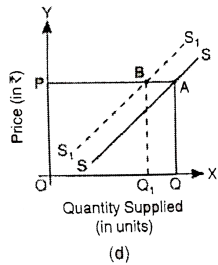
A.



B.



C.



D.

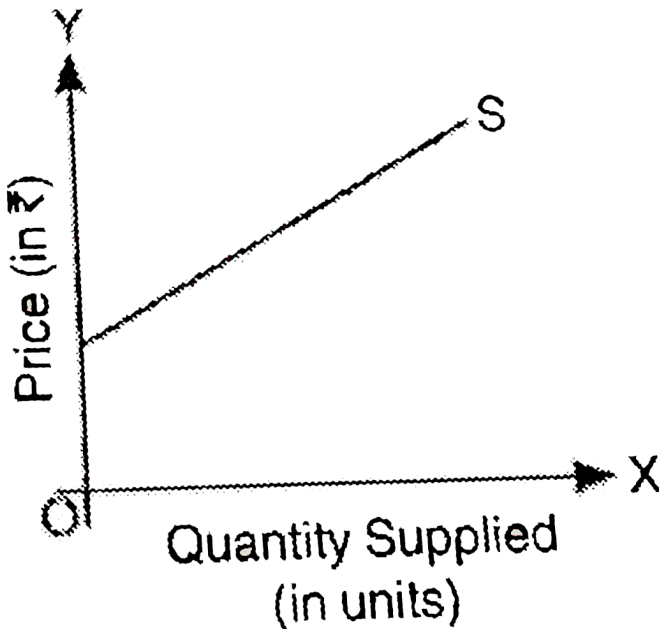
Answer: A



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29. The given diagram is a case of

Supply



A. Less Elastic Supply

B. highly Elastic Supply

C. Unitary Elastic Supply

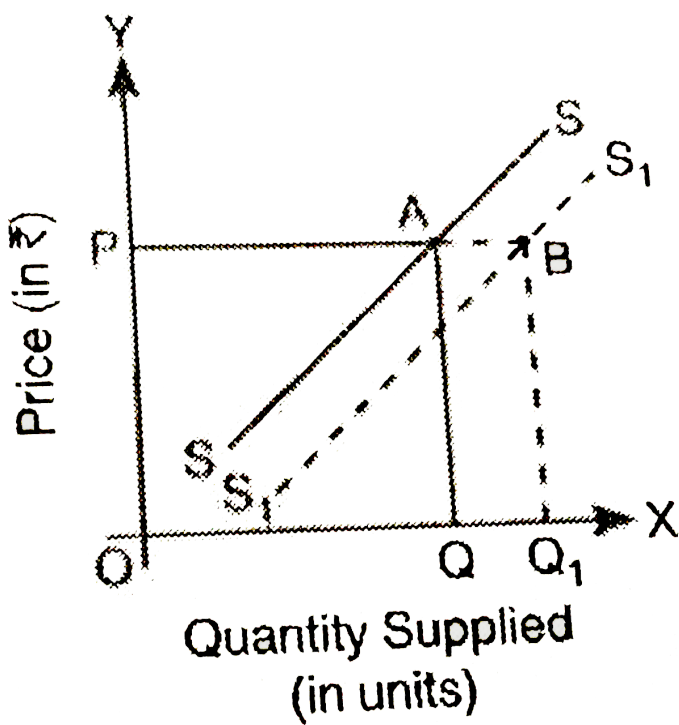
D. Perfectly Elastic Supply

Answer: B



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30. The following supply curves shifts from SS to S_1S_1 due to:



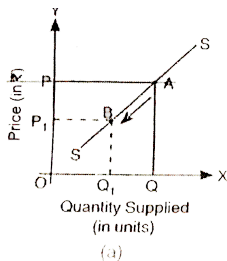
- A. Decrease in Taxes
- B. Upgradation of technology
- C. Fall in the price of inputs
- D. All of the above

Answer: D

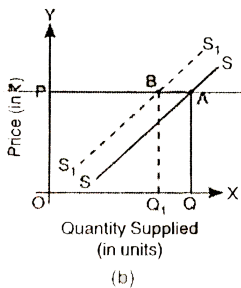


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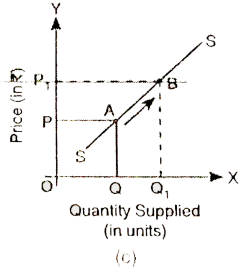
31. Degradation of technology will have the following effect on the supply curves:



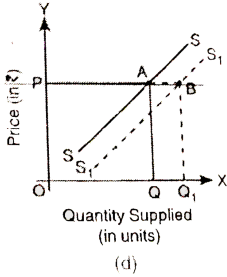
A.



B.



C.



D.

Answer: B

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32. Which of the following measure of prices elasticity shows elastic supply ? (Choose the

correct alternative)

A. 0

B. 0.5

C. 1

D. 1.5

Answer: D



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33. Which of the following does not cause shift so supply curves of a good ? (Choose the correct alternative)

- A. Price of input
- B. Price of the good
- C. Goods and Service Tax
- D. Subsidy

Answer: B



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Very Short Answer Type Questions

1. Define supply.



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2. Define market supply.



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3. State any two factors determining supply.





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4. What effect does an increase in input price have on the supply of the commodity?



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5. How will you get the market supply schedule from the supply schedules of individual firms?



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6. What is the shape of a supply curve'?



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7. State the law of supply



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8. According to the law of supply, in what direction will the supply of a commodity move with a change in its price?



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9. What causes a movement along the supply curve of a good?



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10. What causes a downward movement along a supply curve?



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11. Which term is used when more quantity is supplied with a rise in the price of a commodity?



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12. What causes an upward-movement along the supply curve of a commodity?



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13. Which term is used when less quantity is supplied with a fall in the price of a commodity?



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14. What is meant by 'shift in supply curve'?



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15. What is meant by 'increase' in supply?



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16. What happens to the supply curve in case of an increase in supply?



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17. What is 'decrease' in supply?



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18. In which situation does the supply fall at the same price?



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19. Mention one factor that causes a rightward shift in the supply curve.

OR

Give one reason for an increase in supply of a commodity.



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20. If a farmer grows rice and wheat, how will an increase in the price of wheat affect the supply curve of rice?



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21. Define price elasticity of supply .



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22. If the price of a commodity falls by 10% and, consequently, the quantity supplied decreases by 20 % , what will be its elasticity of supply ?



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23. The coefficient of elasticity of supply of a commodity is falls 0.4 .What percentage change in supply will take place if its price rises by 20% ?





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24. If nothing is supplied even at a marginally reduced price, what will be the elasticity of supply?



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25. If the quantity supplied does not change at all as prices change, what will be the elasticity of supply?



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26. What is the price elasticity of supply of a commodity whose straight line supply curve passes through the origin forming an angle of 75° ?



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27. A straight-line supply curve cuts X-axis in its positive range. What can you say about the elasticity of supply ?

OR

What is the price elasticity of supply of a straight line supply curve touching the OX-axis?



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28. When is the supply of a commodity called 'elastic'?



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29. A straight-line supply curve cuts the Y-axis in its positive range. What is the elasticity of supply?



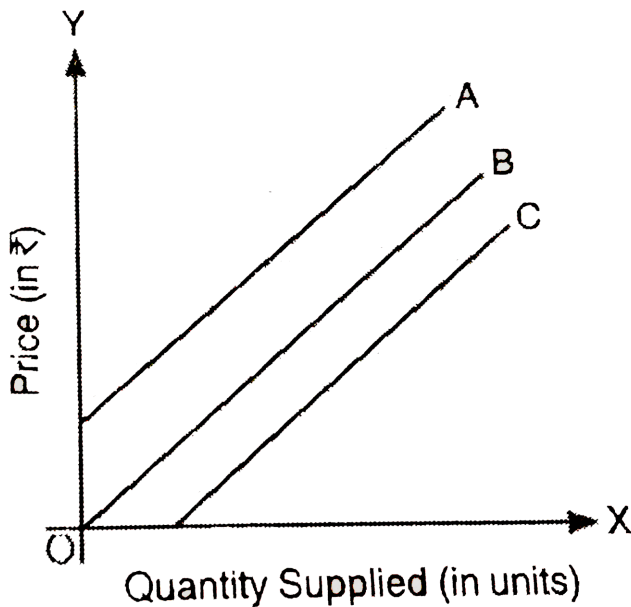
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30. Price elasticity of supply of a good is 0.8. Is the supply 'elastic' or 'inelastic', and why?



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31. The following diagram shows the supply curve of three commodities : A , B and C . Rank their price elasticity of supply



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32. If two supply curves intersect, which one has the higher price elasticity?



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33. What is meant by 'market period'?



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34. Give one reason for "decrease" in supply of a commodity.



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35. When is supply of a good said to be price inelastic?



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36. When is supply of a good said to be perfectly price inelastic?



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37. With the introduction of GST, the overall tax liability of the producers have decreased. How will it affect the supply curve of the good?

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Short Answer Type Questions

1. Define supply. Distinguish between supply and stock.

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2. How is the supply of a commodity affected by changes in the prices of other commodities?



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3. Explain any four determinants of the market supply of a commodity.



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4. Explain any two determinants of supply of a commodity.



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5. Define market supply of a good. Given three causes of a rightward shift in supply curves.



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6. What is meant by supply function? Show its algebraic expression.



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7. Distinguish between individual supply curves and market supply curve.



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8. Explain the Law of supply with the help of a supply schedule and supply curve .

OR

State the law of supply . What is meant by the assumption other things remaining the same on which the law based ?



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9. Distinguish between change in supply and change in quantity supplied of a commodity .

(Use diagrams)



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10. What is meant by change in supply ? State three factors that can cause a change in supply .



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11. Explain the effect of the following on the supply of a commodity : (a) Fall in the prices of

factor inputs. (b) Rise in the prices of other commodities .



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12. Explain the meaning of 'increase in supply' and 'increase in quantity supplied' with the help of a schedule.



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13. Distinguish between increase in quantity supplied (expansion of supply) and increase in supply. Use diagrams.



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14. Discuss the various points of differences between contraction and decrease in supply.



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15. State any three causes of a rightward shift of supply curve.



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16. State three causes of increase in supply



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17. Define 'Market supply'. What is the effect on the supply of a good when Government

imposes a tax on the production of that good?

Explain.



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18. Explain the effect of technical progress on the supply of a good.

OR

Explain how technological progress is a determinant of supply of a good by a firm.



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19. Explain the effect of rise in the input prices on the supply of a good.



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20. What is a supply schedule? What is the effect on the supply of a good when Government gives a subsidy on the production of that good? Explain.



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21. Explain the effect of the following on supply of a good: (i) Changes in prices of inputs, (ii) Technological advancement.



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22. Briefly discuss the percentage method for measuring price elasticity of supply.



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23. Distinguish between stock and supply.



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24. How does subsidy influence the supply of a good by a firm? Explain.



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25. Explain how do the following influence supply of a good: (i) Taxes on production, (ii) Changes in prices of other goods.



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26. Draw supply curves showing price elasticity of supply equal to: (i) zero, and (ii) infinity throughout.



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27. Explain how changes in prices of other products influence the supply of a given product.



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28. How does the change in tax on a product influence the supply of that product? Explain.



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29. Explain the concept of price elasticity of supply. When is the value of price elasticity of supply equal to one?



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30. Define market supply. Explain the factor 'input prices' that can cause a change in supply.



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31. Explain any four factors that affect the supply of good.



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1. Explain the correct of supply schedule and supply curve with the help of a hypothetical schedule and diagram.



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2. State and explain the law of supply with the help of a hypothetical schedule and diagram.



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3. Explain the difference between "Shift of Supply Curve" and "Movement along Supply Curve". Stat one factor responsible for each. Use diagrams.



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4. Define price elasticity of supply. Explain the percentage method for measuring price elasticity of supp



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5. Explain any three factors causing a shift of supply curve of a commodity



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6. Discuss in brief the various kinds of price elasticity of supply



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7. Explain any three factors that determine supply of a commodity.



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8. What is meant by change in supply and change in quantity supplied?



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9. Explain the effect of the following on market supply of a good: (i) Increase in input prices, (ii) Redue in per unit tax.



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10. Examine the effect of: (a) Fall in the own price of good X, and (b) Rise in tax rate on good X, on supply curve. Use diagrams.



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Unsolved Parcticals

1. There are 3 firms A, B and C in the market.

Their individual supply schedules are given

below. Prepare the market supply schedule.

Price (₹)	2	3	4	5
Firm A (units)	5	7	9	11
Firm B (units)	10	15	20	25
Firm C (units)	3	5	7	9



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2. There are three firms X,Y and Z in the market

. The supply schedule for the market and the

for firms X and Y is given below. Prepare the supply schedule for firm Z.

Price (₹)	Firm X (units)	Firm Y (units)	Firm Z (units)	Market Supply (units)
1	5	10	—	21
2	10	20	—	40
3	15	30	—	57
4	20	40	—	80
5	25	50	—	105



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3. When the market price of cheese rises from ₹20 per kg to ₹21 per kg, a producer expands his supply from 3,000 kg to 3,500 kg Calculate his price elasticity of supply.



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4. Price of a commodity increases by ₹4 per unit and due to this ,its dupply increases from 60 units to 90 units. Calculate elasticity of supply, if the original price was ₹6 per unit.



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5. When market price of seller is willing to sell 50 units of the commodity .As the price rises to ₹4 per unit, a seller is willing to sell 50 units, of the commodity .As the price rises to

₹5 per units, he is willing to sell 60 units.

Calculate the seller's elasticity of supply



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6. Calculate the elasticity of supply, when price rises from ₹2 per unit to ₹3 per unit and supply rises from 20 units to 30 units.



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7. As a result of 20% rise in the price of a commodity, its supply increases by 30%. Calculate of supply.



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8. When price of a commodity falls by 10%, its supply decreases from 80 units to 60 units. elasticity of supply.



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9. Quantity supplied of a commodity increases by 25% when its price rises from 4 per unit. Calculate the elasticity of supply.



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10. The price of a commodity rises from 10 per unit to 15 per unit, as a result of increases by 30%. Calculate the elasticity of supply.



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11. At a price of 10 per unit, the quantity supplied of a commodity is 400 units. If its per unit and the quantity supplied rises by 10 per cent, calculate its price elasticity.



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12. At a price of 6 per unit, the quantity supplied of a commodity is 200 units. If per unit, the quantity supplied rises by 20%. Calculate the price elasticity of supply.



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13. At a price of 10 per unit, the supply of a product is 500 units. When its price fall by 20 per second supply is 350 units. Calculate its price elasticity of supply. Is its supply elastic?



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14. At a price of 40 per unit, the quantity supplied of a commodity is 400 units. When its price falls by 10 per cent, its quantity

supplied falls by 36 units. Calculate its elasticity of supply.



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15. The price elasticity of supply of commodity X is $.1/2$ of price elasticity of supply of commodity Y. When price of X falls by 50%, its supply falls by 20 units. Calculate price elasticity of supply of commodity X and Y if 100 units of X were supplied at price of ₹4 per unit.



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16. The coefficient of elasticity of supply of a commodity is 3. A seller supplies 20 units of this commodity at a price of ₹ 8 per unit. How much quantity of this commodity will the seller supply when the price rises by ₹2 per unit ?



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17. The coefficient of elasticity of supply of commodity X is 2. What quantity of the commodity will a seller supply at a price of ₹6 per unit, if he supplies 100 units at the price of ₹5 per unit?



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18. The coefficient of elasticity of supply of a commodity is 2. At ₹14 per unit, supply is 100

units. How much quantity will be supplied, if the price decreases to ₹2 per unit?



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19. Price elasticity of supply for a product is 'Unity'. A firm supplies 25 units of this product at a price of ₹3 per unit. If the price of product rises to ₹ 6 per unit, how much quantity of the product will be supplied by the firm ?



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20. The elasticity of supply of a commodity is 3. An increase in its price from ₹20 to ₹21 per unit results in a rise in its quantity supplied by 150 units. Calculate its quantity supplied at the increased price.



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21. The coefficient of elasticity of supply of a commodity is 1. Its supply is 500 units at a price of ₹10 per unit. What will be the supply

of this commodity when its price falls ₹8 per unit?



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22. The supply curve of commodity 'A' is a straight line parallel to Y-axis. If its supply is 20 units at the price of 10 per unit, then what will be its supply when price rises by 2 per unit?



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23. The price elasticity of supply of a good is 2. If the percentage change in its price is 5%, find the percentage change in its quantity supplied?



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24. The price elasticity of supply of a commodity is 0.5. The percentage change in quantity supplied is 4%. What is the percentage change in price?





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25. The price elasticity of supply of commodity X is twice the price elasticity of supply of commodity Y. If price of X falls by 10% and that of Y falls by 20%, calculate percentage fall in supply of commodity X and Y, if commodity Y has unitary elastic supply.



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26. The price of Dairy Milk chocolate rises by 20% and that of Nestle Arnul Bar falls by 6%. As a result, supply of Dairy Milk rises from 20,000 to 30,000 units. Calculate the percentage fall in supply of Amul Bar if both the chocolates have equal price elasticity of supply.



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27. The price of a commodity rises by 20%, which leads to an increase in supply by 20 units. If price elasticity is 2, calculate initial and final supply of the commodity.



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28. If ratio of change in quantity (ΔQ) to original quantity (Q) is 0.4 and elasticity of supply is 1.25, calculate the percentage change in price.





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29. The price elasticity of supply of commodity Y is half the price elasticity of supply of commodity X. 16 per cent rise in the price X results in a 40 per cent rise in its supply. If the price of Y falls by 8 per cent, calculate the percentage fall in its supply?



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30. A firm received ₹2000 when price of the commodity was ₹40 per unit. The revenue increased to ₹3000, when price increased to ₹50 per unit. Calculate the price elasticity of supply ?



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31. The receipts of a firm are ₹6,000 when the price of a good is ₹100 per unit. When price increased to ₹120 per unit, the receipts

increases to ₹7,800. What is the price elasticity of supply?



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32. Total revenue is ₹400 when the price of the commodity is ₹2 per unit. When price rises to ₹3 per unit, the quantity supplied is 300 units. Calculate the price elasticity of supply.



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33. The total receipts of a firm gets doubled due to a 20% rise in price of commodity X. If the original supply was 30 units at a price of ₹100, calculate price elasticity of supply. Also calculate quantity at the increased price.



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34. The price of a commodity is 10 per unit and total revenue from it is 1,000. Its price elasticity of supply is 0.8. Its price falls by 10

percent. Calculate the total revenue at the reduced price.



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35. When the price of a commodity rises by 10 percent, its supply rises by 40 units. Its elasticity of supply is 1. Calculate its supply at the original price.



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36. When the price of a commodity falls from 10 per unit to 9 per unit, total revenue from it falls from 1,200 to 918. Calculate its elasticity of supply?



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37. A firm sells 1,000 units of a product at price of ₹10 per unit. Its price elasticity of supply is 3. How many units will the firm be able to sell if price falls to ₹7.50 per unit?





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38. When the price of a commodity rises from ₹10 to ₹11 per unit, its quantity supplied by 100 units. price elasticity of supply is 2. Calculate its quantity supplied at the increased price.



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39. A firm supplies 500 units of a good at a price of ₹5 per unit. The price elasticity of

supply of the good is 2. At what price will the firm supply 700 units?



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40. A producer supplies ₹200 units of a good at ₹10 per unit. Price elasticity of supply is 2. How many will the producer supply at ₹11.



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41. When the price of a good rises from ₹20 per unit to ₹30 per unit, the revenue of the firm producing this good rises from ₹100 to ₹300, Calculate the price elasticity of supply



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42. A firm's revenue rises from ₹400 to ₹500 when the price of its product rises from ₹ 20 per unit to ₹25 per unit. Calculate the price elasticity of supply.





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43. The price elasticity of supply of a good is 0.8. Its prices rise by 50 percent. Calculate the percentage increase in its supply.



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44. A firm supplies 10 units of a good at a price of ₹5 per unit. Price elasticity of supply is 1.25. What quantity will it supply 250 units?



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45. The price elasticity of supply of a commodity is 2.0. A firm supplies 200 units of it at a price of ₹8 per unit. At what price will it supply 250 units?



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46. A 15 per cent rise in the prices of a commodity is 5. When price of the commodity

rises from



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47. Price elasticity of supply for a commodity is 5. When price of the commodity rises from ₹9 per unit to ₹10 per unit, supply rises by 25 units .Calculate quantity supplied at ₹9+ per unit.



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48. At a price of ₹10 per units the supply of good is 80 units. When its price rises to ₹12 per units, its supply rises by 20 percent. Calculate its price elasticity of supply.



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49. 10 percent increase in the price of good raises its supply from 150 units to 180 units. Calculate its price elasticity of supply.



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50. Supply of a good rises from 200 units to 240 units as a result of 20 percent rise in its price. Calculate its price elasticity of supply.



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51. When price of a commodity rises from ₹5 to ₹6 per unit, total revenue increases from ₹1,000 to ₹1,200. Calculate its price elasticity.



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52. From the following data calculate price elasticity of supply.

Price per unit (₹)	8	10
Total Revenue (₹)	1,000	1,500



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53. A producer supplies 80 units of a good at a price of ₹10 per unit. Price elasticity of supply is 4. How much will he supply at ₹9 per unit?



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54. When price of a commodity falls from ₹12 per units to ₹9 per unit, the producer supplies 75 percent less output. Calculate price elasticity of supply .



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55. When price of a good falls from ₹20 to ₹10 per unit, producer reduces supply from 100 units to 50 units .Calculate price elasticity of supply.



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