Economics - ICS Part 1 Economics English Medium Chapter 4 Short Questions Test

Q1. What is Rectangular hyperbola.

Ans 1: See the demand curve given opposite It is unit elasticity on all points This curve is called rectangular hyperbola.

Q2. What is point Elasticity.

Ans 1: The elasticity at a particular point on demand curve is called point elasticity.

Q3. Define Derived demand .

Ans 1: It is the demand for a good or service which is derived from the demand for another good or service for which it is used as input. for example demand derived from the demand for those product which labour produces.

Q4. What is demand function.

Ans 1: Demand Schedule is also called demand function.

Q5. How A.L.Meyers elasticity demand.

Ans 1: A.L.Meyers defines elasticity in the following word. " The elasticity of demand is a measure of relative change in amount purchased in response to a relative change in price of givne demand curve.

Q6. What is Demand curve.

Ans 1: When the relation betweeen demand and price is shown in a graph is called demand curve.

Q7. Other define Law of demand.

Ans 1: If other thing do not change , people buy more of a good when its price falls and less of it when itts price rises.

Q8. What is demand schedule

Ans 1: A demand schedule shows the quantities of a good or service which buyers would willing and able to purchase at various prices.

Q9. How calculting the elasiticity.

Ans 1: In calculting the elasticity it is customary to disregard the minus sign to make the elasticity a positive number . That way a large elasticity number means that demand is more responsive to price.

Q10. Define Elasticity of demand.

Ans 1: "Elasticity of demand is the measure of responsiveness of quantity demanded to changes in price"