

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

Q1. 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.

Q2. What is cross elasticity of demand.

**Ans 1:** "The rate of responsiveness of quantity demanded of commodity A to change in price of commodity B.

Q3. What is demand function.

**Ans 1:** Demand Schedule is also called demand function.

Q4. What is Demand curve.

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

Q5. Define Demand

**Ans 1:** Demand is a relation showing the various amounts of a commodity tht byers would be willing and able to purchase at alternative prices during a given time period. all other things remaining the same.

Q6. 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 itt's price rises.

Q7. How calculting the elasitcity.

**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.

Q8. 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.

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Q9. What is point Elasticity.

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

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Q10. What is income effect.

**Ans 1:** When price decrease, purchasing powere of people so the can buy more with the same amount of moneth this called income effect

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