

Economics - ICS Part 1 Economics English Medium Chapter 5 Short Questions Test

Q1. What is the supply curve.

Ans 1: The supply curve is upward sloping from left to right showing a positive relation between price and quantity supplied.

Q2. Define Reserve price.

Ans 1: This is the minimum price below which a seller does not want to sell any quantity.

Q3. Write the theory Prof. Mayers in Supply.

Ans 1: "Supply is a schedule of the amount of a good that would be offered for sale at all possible prices, at any one instant of time or during any period of time. e.g. a day, a week, and so on.

Q4. What is the Rise and fall of supply.

Ans 1: When the supply of commodity changes, not due to change in its price but due to some other factors, such as cost of production or taxes. the change is called rise or fall of supply.

Q5. Functional equation of supply Define.

Ans 1: Functional equation of supply shows the relationship between market price of a commodity and quantity offered for sale.

Q6. What is the extension and contraction of supply.

Ans 1: The effect of change in market price on supply is known as extension or contraction of supply.

Q7. Define Stock

Ans 1: Stock is the total quantity of a commodity available in or near the market which can be brought for sale at a short notice. The stock is a fixed amount, which is not affected by the changes in price.

Q8. What is Elastic of supply.

Ans 1: "The degree of responsiveness of supply of a commodity to changes in its price."

Q9. What is market period supply.

Ans 1: This supply is fixed for persihable goods.

Q10. Define Supply.

Ans 1: Supply means the quantities of commodity offered for sale at different prices during a givne period of time.
