Q1. A consumer buys 80 units of a good at a price of Rs. 4 per unit. When the price falls, he buys 100 units. If price elasticity of demand is (-) 1, find out the new price.

Q2. A 5 per cent fall in the price of  X leads to a 10 per cent rise in demand for X. A 2 per cent risejn the price of Y leads to a 6 per cent fall in demand for, Y. Calculate the price elasticity of demand of X and Y.

Q3. Price of a good falls from Rs. 10 to Rs. 8. As a result its demand rises from 80 units.to 100 units. What can you say about price elasticity of demand by total expenditure method?

Q4. A consumer buys 40 units of a commodity at a price of Rs. 5 per unit and his price elasticity of demand is (-) 1.5. Calculate the amount he will buy at the price of Rs. 4 per unit of the commodity.

Q5. A household increases its demand for a commodity from 40 units to 50 units when its price falls by 10%. What is the price elasticity for the commodity?

Q6. A consumer sperids Rs. 80 on a commodity when its price is Re. 1 per unit and spends Rs. 96 when the price is Rs. 2 per unit. What is the price elasticity of demand for the commodity?

Note: By dividing expenditure with the price we can get the quantity demanded.

Q7. Would the elasticity of demand in the following cases be unity, less than unity or greater than unity?

(i) A rise in the price of a commodity increases the total household expenditure on it.

(ii) A rise in the price of commodity reduces total household expenditure on it.

 **Application Question**

 Q1. Price of a good rises from Rs. 4 to Rs. 5 per unit. As a result its demand falls from 200 units to 100 units. Calculate Ep.

Q2. A consumer buys 50 units of a good at Rs. 10 per unit. At a price of  Rs. 8 per unit he buys 100 units. Find out Ep.

Q3. A 7% fall in the price of a good leads to 49% increase in demand of that good. Find out Ep.

Q4. Ep of a good is - 3. At a price of Rs. 8 per unit a consumer buys 160 units of the good. How many units of the good will the consumer buy when price falls to Rs. 6 per unit.

Q5. Ep of a good is - 5. At a price of Rs. 10 per unit consumer buys 200 units. At what price will he buy 100 units?

Q6. Ep of a good is - 4. When price of this good rises from Rs. 5 to Rs. 6 per unit, a consumer buys 40 units less. How many units did he buy at  Rs. 5?

Q7. Given Ep = -1, complete the following table:

Price                            Demand

(Rs. per unit)                (Units)

4                                    60

                                      90

(Use percentage change method.)

Q8. There are two goods A and B. The prices of both rise by 7 per cent. As a result, demand for A falls by 10.5 per cent, while there is no change in demand for B. Find out Ep of A and B.

Q9. Find out Ep by the percentage method :

Price. (Rs.)                                    Total expenditure (Rs.)

08                                                              800

10                                                              900

Q10. Calculate Ep by comparing total expenditure :

Price (Rs.)                                                    Demand (units)

4                                                                         125

5                                                                         100

Q11. There are two goods X and Y. As a result, increase in prices of both X and Y by the same percentage, total expenditure on X rises and that on , Y falls.What can you say about the Ep of X and Y?

Q12. Comment upon Ep by the total outlay method when price falls from (a) Rs. 6 to Rs. 5, (b) Rs.5 to Rs. 4 and (c) Rs. 4 to Rs. 3

Price (Rs.)                          Demand

6                                           100

5                                           110

4                                           150

3                                           200

Q13. Draw a downward sloping straight line demand curve. Indicate the points on this demand curve, where Ep =0, Ep =1 and Ep = infinity.

Q14. From the data in question number 10, calculate Ep by the percentage change method.

**(CBSE EXAMINATION QUESTION)**

Q1. Price elasticityof demandof a good is (-) 2.40 units of this good are bought at a price of Rs

10 per unit. How many units will be bought at a price of Rs. 11 per unit? Calculate.

Q2. At a price of Rs 50 per unit the quantity demanded of a commodity is 1000 units. When

its price falls by 10 per cent, its quantity demanded rises to 1080 units. Calculate its price elasticity of demand. Is its demand inelastic? Give reasons for your answer.

Q3. When price of a good rises from Rs. 5 per unit to Rs. 6 per unit, its demand falls from 20 units to 10 units. Compare expenditure on the good to determine whether demand is elastic or inelastic.

Q4. A consumer buys 40 units of a good at a price of Rs. 3 per unit. When price rises to Rs. 4 per unit he buys 30 units. Calculate price elasticity of demand by the total expenditure method.

Q5. When price of a good falls by 10 percent, its quantity demanded rises from 40 units to 50 units. Calculate price. elasticity of demand by the percentage method.

Q6. A consumer buys 70 units of a good at a price of Rs. 7 per unit. When price falls to Rs. 6 per unit, he buys 90 units. Use Total Expenditure Method to find whether the demand for good is elastic or inelastic.

Q7. The quantity demanded of a commodity rises from 800 units to 850 units when its price falls from Rs. 20 per unit to Rs. 19 per uriit. Calculate its elasticity of demand.

Q8. Price elasticity of demand of a good is (-) 1. At a given price the consumer buys 60 units of the good. How many units will the consumer buy if the price falls by 10 percent?

Q9. Price elasticity of demand of a good is (-) 2. The consumer buys a certain quantity of this good at a price of Rs. 8 per unit. When the price falls he buys 50 percent more quantity. What is the new Price?