

**TIME 1 HOUR****TEST -DEMAND****MARKS 20**

- Q.1** Giving reasons, state whether the following statements are true or false.
- A.** Demand means quantity demanded of a commodity which a consumer is ready to buy.
  - B.** Law of demand explains quantitative relationship between price and demand.
  - C.** A change in quantity demanded as a result of change in income of the consumer is called income effect.
  - D.** Demand curve representing quantity demanded and price is always negatively sloped.
- 4**
- Q.2** Explain the law of demand with the help of a demand schedule and curve. **3**
- Q.3** Explain substitution effect as cause for downward sloping demand curve. **2**
- Q.4** Define change in demand and represent the same graphically. State three factors responsible for change in demand. **4**
- Q.5** Does increase or decrease in income of the consumer has same effect on every type of commodity. Explain with the help of diagram. **4**
- Q.6** What is meant by one good being substitute of other. Explain with the help of diagram. **2**
- Q.7** Differentiate between movement along the demand curve and shift in demand curve. Use diagram. **3**
- Q.8** Explain the effect on the market demand of (1) Distribution of income (2) Number of consumer in the market. **3**
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