Brain International School
Vikas Puri, New Delhi

ASSIGNMENT NO. 2

SUBJECT: ECONOMICS **CLASS-XI** **MAY,2025**

MICROECONOMICS

CH 4: ELASTICITY OF DEMAND

THEORY QUESTIONS:

Q1. What is meant by perfectly inelastic demand? Give an example.
Q2. What does a price elasticity of demand equal to 1 signify?
Q3. Explain the relationship between total expenditure and price elasticity of demand.
Q4. How does the nature of a commodity affect its price elasticity of demand?
Q5. Why is the demand for salt highly inelastic?
Q6. State and explain the factors that determine price elasticity of demand.
Q7. Distinguish between elastic and inelastic demand using graphs.

NUMERICALS

Q1. What is cross elasticity of demand? Explain with examples.Q1. The price of a good rises from ₹10 to ₹12 and its demand falls from 100 units to 80 units. Calculate the price elasticity of demand using the percentage method.

Q2. When the price of a product falls by 10%, the quantity demanded increases by 15%. Calculate the price elasticity of demand.

Q3. A consumer purchases 20 units of a good when its price is ₹5 per unit. When the price falls to ₹4 per unit, he purchases 25 units. Calculate the price elasticity of demand using the midpoint (arc elasticity) method.

Q4. The price of apples increased from ₹100/kg to ₹120/kg and quantity demanded fell from 5 kg to 4.5 kg. Find the price elasticity of demand.

Q5. A fall in the price of a commodity causes a 25% increase in demand. The price elasticity of demand is -1.25. Calculate the percentage fall in price.

Q6. A good's price elasticity is found to be 0.5. If the price increases by 20%, what will be the percentage change in quantity demanded?

Q7. A firm raises the price of its product by 10% and sees its total revenue remain unchanged. What is the price elasticity of demand for its product? Explain.