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Subject: Microeconomics (Class 11)

Max Marks: 30

Worksheet: Theory of Demand (Core Concepts & Application)

Time Allowed: 1 Hour

SECTION A: OBJECTIVE TYPE QUESTIONS (1 MARK EACH)

Q1. A movement along the same demand curve downwards is known as: **[1]**

(a) Contraction of Demand

(b) Expansion of Demand

(c) Increase in Demand

(d) Decrease in Demand

Q2. If Goods P and Q are substitute goods, an increase in the price of Good P will lead to: **[1]**

(a) A decrease in the demand for Good Q

(b) An increase in the demand for Good Q

(c) No change in the demand for Good Q

(d) A contraction of demand for Good Q

Q3. Which of the following is an exception to the Law of Demand? **[1]**

(a) Normal Goods

(b) Giffen Goods

(c) Complementary Goods

(d) Substitute Goods

Q4. A change in the income of a consumer leads to: **[1]**

(a) Movement along the demand curve

(b) Shift in the demand curve

(c) Overlapping demand curves

(d) No change in quantities demanded

SECTION B: SHORT ANSWER QUESTIONS (3 MARKS EACH)

Q5. Distinguish between **Individual Demand Schedule and **Market Demand Schedule** with the help of a brief hypothetical layout.** **[3]**

Q6. Explain any three major determinants of demand for a commodity other than its own price. **[3]**

Q7. What are **Inferior Goods? Explain how the demand for an inferior good changes when the income of a consumer rises.** **[3]**

SECTION C: LONG ANSWER QUESTIONS (4 MARKS EACH)

Q8. Distinguish between **"Change in Quantity Demanded" and **"Change in Demand"**. Use clear directional terms (movement vs shift) to structure your answer.** **[4]**

Q9. Explain the law of demand. Discuss why the demand curve slopes downwards from left to right (reasons behind the law of demand). **[4]**

SECTION D: CASE-BASED / ASSERTION-REASONING (4 MARKS)

Q10. Analyze the market dynamic and evaluate the structural statements: **[4]**

> *A sudden health report indicates that consuming green tea significantly boots immunity. At the same time, due to a severe drought, production costs for tea leaves rise. We focus heavily on the structural demand impact of the health report.*

Assertion (A): The publication of the favorable health report shifts the market demand curve for green tea to the right.
Reason (R): A favorable change in tastes and preferences of consumers increases the demand for a commodity at the same price.

(a) Both (A) and (R) are true and (R) is the correct explanation of (A).

(b) Both (A) and (R) are true but (R) is NOT the correct explanation of (A).

(c) (A) is true but (R) is false.

(d) (A) is false but (R) is true.

~ End of Worksheet ~