CLASS XII
ELASTICITY OF DEMAND

1 A consumer buys 1000 units of a good at a price of Rs.120 per unit. When the price falls he buys 1400 units. If price elasticity is (-) 2, What is the new price?

2 The quantity demanded of a commodity falls by 5 units when its price rises by Re. 1 per unit. Its price elasticity of demand is (--)1.5 Calculate the price before the change if at this price quantity demanded was 60 units.

3 Calculate price elasticity of demand by percentage method.

Price per unit	Demand
Rs. 10	0 units
Rs. 9	10 units

4 A 2 percent fall in price of good A lead to a fall in expenditure of the consumer on A. A 3 percent rise in price of good B lead to fall in expenditure by the consumer on B. Compare price elasticity of A and B.

5 A consumer buys 10 units of a commodity at the price of Rs. 5 per unit. The price elasticity of demand for this good is -2. Price falls to Rs. 4 per unit. How much of this commodity will he buy now at this price?

6 A household buys 30 units of a commodity when its price is Rs. 5 per unit. The quantity demanded falls to 25 units when the price rises to Rs. 6 per unit. How much is price elasticity of demand.

7 Price elasticity of demand for a good is –0.75. When its price falls by Rs. 1 per unit its quantity demanded rises by 4 units. Calculate quantity demanded if the price before the change was Rs.12 per unit.

8 At a price Rs. 20 per unit, the quantity demanded for a commodity is 300 units. If price falls by 10%, quantity demanded rises by 60 units. Calculate price elasticity of demand.

9 Price elasticity of demand for a good is (--) 0.5. Its quantity demanded falls by 5 units when its price rises by Re.1 per unit. Calculate quantity demanded if price before the change is Re.5 per unit.

11 A consumer spends Rs. 90 on a good when its price is Rs. 9 per unit. When price falls to Rs. 6 per unit, he spends Rs. 120 per unit. Calculate price elasticity by percentage method.

12 A consumer spends Rs. 70 on a good when its price is Rs. 5 per unit. When the price falls to Rs. 4 per unit, he spends Rs. 84. Calculate the price elasticity by percentage method.

13 At a price of Rs 50 per unit, the quantity demanded of a commodity is 1000units. When its price falls by 10 percent, its quantity demanded rises to 1080 units. Calculate price elasticity of demand. Is its demand inelastic? Give reason.

14 Price elasticity of demand for a good is unitary. A consumer buys 50 units of a good when price is Rs. 2 per unit. Using total outlay method of determining price elasticity of demand, calculate how any units of this good will the consumer buy if its price rises to Rs. 4 per unit?

15 If market price of a commodity is Re.4 per unit a sell is willing to sell 600 units of a commodity. When price rises to Re.5, he is willing to sell750 units. What is the price elasticity of supply?

16 As a result of a fall in the price of a commodity form Rs.7/- per k.g to Rs. 5 per k.g.. The total expenditure on it increases from Ts. 3500/- to Rs 6250. Calculate price elasticity of demand.

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