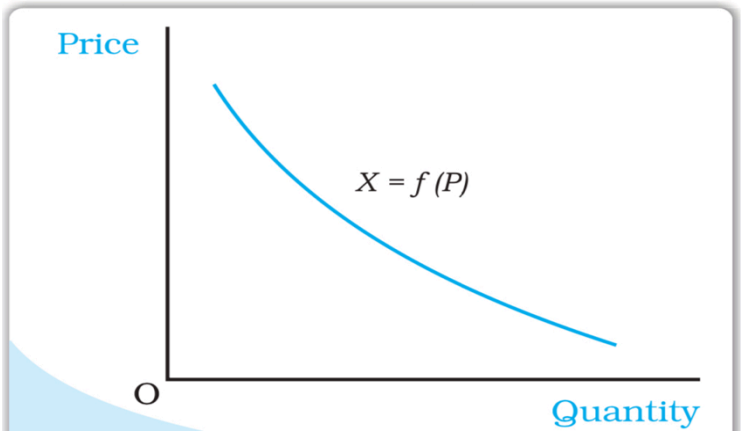
It was observed that the amount of a good that the consumer chooses optimally, depends on the price of the good itself, the prices of other goods, the consumer's income and her tastes and preferences. The quantity of a commodity that a consumer is willing to buy and is able to afford, given prices of goods and consumer's tastes and preferences is called demand for the commodity. Whenever one or more of these variables change, the quantity of the good chosen by the consumer is likely to change as well. Here we shall change one of these variables at a time and study how the amount of the good chosen by the consumer is related to that variable.

Demand Curve



1. **Which of the following Tastes and Preferences of consumers does not directly influence the demand for a commodity?**

a. When a product is in style and consumers prefer it

b. Effective advertising can create a desire for a product

c. Demand for certain items can change with the seasons

d. A new health trend can not increase demand for commodity

Ans: D

2. The demand curve is always

a. level

b. irregular

c. upward sloping

d.downward sloping

Ans: d

3. Demand for a commodity refers to

a. Need for the commodity

b. Desire for the commodity

c. Amount of the commodity demanded at a particular price and at particular time

d. Quantity demanded for that commodity

Ans: C

4. **The relation of _____ is by the law of demand.**

a. the quantity and price of commodity

b. the price and income of commodity

c. demand quantity and demand-supply of commodity

d. income and demand quantity of a commodity

Ans: A