DOT EDUCATION

IGCSE CIE Economics MCQ Price Elasticity of Supply (QP)

1.May 2024-12/8

In response to an increase in price from $5 per kg to $6 per kg, a farmer increased supply from 400 kg to 500 kg per week.

What is the price elasticity of supply?

A 0.8 **B** 0.9 **C** 1.2 **D** 1.25

2. May 2024-13/8

The price elasticity of supply (PES) of a product is 1.0.

The price of this product is $10 and the quantity supplied is 200 units.

If the price of the product increases to $11, by how many units will the quantity supplied increase?

A 1 unit

B 10 units

C 20 units

D 200 units

3.Oct 2023-11/7

A global pandemic causes the demand for air travel to decrease.

Which value for the price elasticity of supply of air travel will cause the number of tickets for air travel to fall the most?

A 0 **B** 0.5 **C** 1 **D** 1.5

4.Oct 2023-12/6

The markets of four products are all in equilibrium. The table gives the value of the price elasticity of supply (PES) for each product.

The demand for each product shifts to the right by 5000 units at all prices.

Which product will have the largest price increase?

	price elasticity of supply
A	0
B	0.6
C	1.0
D	2.5

5. Oct 2023-13/7

What would increase the price elasticity of supply (PES) of a product?

A an increase in the cost of inputs

B an increase in the firm's profits

C an increase in the number of close substitutes

D an increase in the time a product can be stored

6.May 2023-11/6

What is the correct formula to calculate price elasticity of supply?

A the percentage change in price divided by the change in quantity supplied

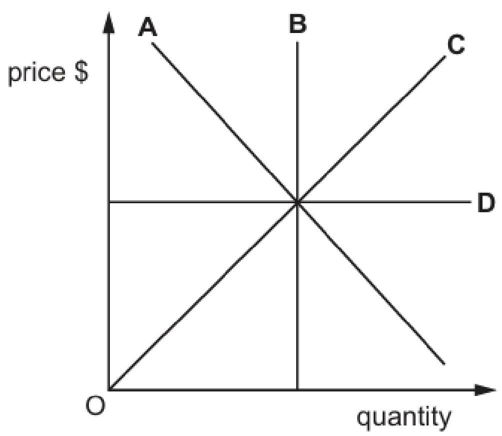
B the percentage change in price divided by the percentage change in quantity supplied

C the percentage change in quantity supplied divided by the change in price

D the percentage change in quantity supplied divided by the percentage change in price

7. May 2023-13/7

In the diagram, which supply curve has the perfectly inelastic supply?



8.Oct 2022-11/7

What is the significance to firms of price elasticity of demand?

A It allows firms to measure the effect of a change in the price of their competitors.

B It allows firms to measure their ability to change production due to a change in price.

C It allows firms to predict the change in costs of production.

D It allows firms to predict the effect of a change in price on their total revenue.

9.Oct 2022-12/4

What is a disadvantage of a market economy?

A Consumer choice is ignored.

B Consumers may lack information.

C Government subsidies encourage efficiency.

D There is no incentive to work.

10.Oct 2022-13/7

Which factor can influence the price elasticity of supply of a product?

A the degree of necessity of the product

B the level of spare capacity in the industry

C the price of substitutes

D the proportion of income spent on the product

11.May 2022-11/9

A firm has a high price elasticity of supply for its product.

What does this indicate?

A It can increase revenue by reducing the price.

B It can quickly respond to changes in price.

C It keeps very low volumes of product in stock.

D It produces a good that has close substitutes.

12.March 2022-12/6

The formula for a good's price elasticity of supply needs to be completed.

$$\text{price elasticity of supply} = \frac{X}{Y}$$

What needs to replace X and Y to complete the formula?

	X	Y
A	change in price	change in quantity supplied
B	change in quantity supplied	change in price
C	% change in price	% change in quantity supplied
D	% change in quantity supplied	% change in price

13.May 2021-11/8

In response to an increase in price from $5 per kilo to $6 per kilo, a farmer increased supply from 400 kilos to 500 kilos per week.

What is the price elasticity of supply?

A 0.8 **B** 0.9 **C** 1.2 **D** 1.25

14. May 2021-12/8

In response to an increase in price from $5 per kilo to $6 per kilo, a farmer increased supply from 400 kilos to 500 kilos per week.

What is the price elasticity of supply?

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15. May 2021-13/8

In response to an increase in price from $5 per kilo to $6 per kilo, a farmer increased supply from 400 kilos to 500 kilos per week.

What is the price elasticity of supply?

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16.March 2021-12/8

The table shows the supply schedule for a good.

price ($)	quantity (000)
1	3
2	5
3	7

What is the price elasticity of supply when price increases from $1 to $3?

A 0.5 **B** 0.66 **C** 1.5 **D** 2.0