

Questions for discussion

1. What are the types of demand function?
2. What is meant by movement along a demand curve?
3. What is meant by shift in demand curve?
4. What is meant by positive shift in demand curve?
5. Write any five reasons for shifting in demand curve.
6. What are inferior good?
7. Define linear demand function.
8. Give two reasons, which lead to downward shift of demand curve of milk.
9. Define elasticity of demand.
10. State the various degrees of price elasticity of demand.
11. State the various degree of income elasticity of demand.
12. State the various degree of cross elasticity of demand.
13. If the cross elasticity of demand between goods X and Y is positive, to how the goods are related to each other.
14. Define supply function.
15. Suppose individual demand schedule for Basanta, Bishnu, and Lila are given as follows:

Price (Rs.)	Basanta's Demand	Bishnu's Demand	Lila's Demand
5	80	40	20
10	40	20	10
15	20	10	5
20	10	5	0
25	0	0	0

Find:

- a. Market demand schedule.
- b. Market demand curve.
- c. Elasticity when price falls from Rs. 15 to Rs. 10.
- d. Elasticity when price rises from Rs. 10 to Rs. 15.

16. Given the demand function $Q = 12 - 3P$, where $P = 3$, find the price elasticity of demand.

17. Given the demand function for good A is given by $Q_A = 100 - 2P_A + 0.5Y + 0.3P_B$ where, $P_A = 6$, $Y = 500$ and $P_B = 10$. Find

- i. Price elasticity of demand
- ii. Income elasticity of demand
- iii. Cross elasticity of demand