SUPPLY AND PRICE ELASTICITY OF SUPPLY

Q. 1. Consider the following individual and market supply schedules:

Price (in ₹/kg)	Firm A (kg)	Firm B (kg)	Firm C (kg)	Market (kg)
1	–	20	45	100
2	37	30	50	–
3	40	–	55	135
4	44	50	–	154
5	48	60	65	–

(*a*) **Complete the above table on quantities of potatoes supplied by the firms and the market.**

(*b*) **Plot the supply curve of each firm and the market supply curve on a single diagram. What relationship you observe between the individual supply curve and the market supply curve?**

(*c*) **Calculate price elasticity of supply of firm A when price rises from ₹ 2 to ₹ 3.**

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Q. 2. The supply schedule of a commodity changes as follows:

Price (in ₹/kg)	Quantity Supplied Case-A	Quantity Supplied Case-B
1	20	0
2	40	20
3	60	40
4	80	60
5	100	80

(*a*) **Calculate elasticity of supply when price rises from ₹ 2 to ₹ 3 both in case A and case B.**

(*b*) **Why does elasticity of supply differ in two cases even though absolute change in quantity supplied is 20 units in both the cases?** **4**

Q. 3. If the price of a commodity falls from ₹ 60 per unit to ₹ 58 per unit, its supply contracts from 400 units to 300 units. Find out its elasticity of supply. **4**

Q. 4. The co-efficient of elasticity of supply of a commodity is 3. A seller supplies 20 units of this commodity at a price of ₹8 per unit. How much quantity of this commodity will the seller supply when price rises by ₹ 2 per unit? **[CBSE Delhi 1998] 4**

Q. 5. There are three firms A, B and C in a market. The supply schedule for the market and that for firms A and B is given below. Prepare the supply schedule for firm C.

[CBSE Sample Paper 1997] 3

Price	Firm A	Firm B	Firm C	Market Supply
10	0	25	–	35
20	10	30	–	60
30	20	35	–	85
40	30	40	–	110
50	40	45	–	135
60	50	50	–	160

Q. 6. The coefficient of elasticity of supply of commodity X is 2. What quantity of the commodity will a seller supply at a price of ₹ 6 per unit, if he supplies 100 units of it at ₹ 5 per unit? **3**

Q. 7. The price of a commodity is 10 per unit and its quantity supplied is 500 units. If its price falls by 10 per cent and quantity supplied falls to 400 units. Calculate price elasticity of supply? **[CBSE Delhi 2003] 3**

Q. 8. Price elasticity of supply of a good is 5. A producer sells 500 units of this good at ₹ 5 per unit. How much will he be willing to sell at the price of ₹ 6 per unit? [CBSE Delhi 1999] 3

Q. 9. Price elasticity of supply for a product is 'unity'. A firm supplies 25 units of this product at a price of ₹ 5 per unit. If the price of product rises to ₹ 6 per unit, how much quantity of the product will be supplied by the firm? **[Sample Paper 2001] 3**

Q. 10. A seller of apples sells 80 kg a day when the price of apples is ₹ 4 per kg. The elasticity of supply of apple is known to be 2. How much quantity the seller supplies when the price rises to ₹ 5 per kg? **[CBSE Delhi 1996] 3**