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Level: Edexcel IGCSE Economics (4EC1)
Subject: Economics
Topic: IGCSE Economics
Type: Topic Question

Economics Edexcel IGCSE
To be used for all exam preparation for 2025+

ECONOMICS IGCSE

Key skills

Question 1

What does price elasticity of demand (PED) measure?

A. The responsiveness of demand to a change in supply.

B. The responsiveness of demand to a change in price.

C. The responsiveness of supply to a change in price.

D. The responsiveness of income to a change in demand.

[1 mark]

Question 2

When the price of a product decreases and the total revenue increases, the product is said to be:

A. Price inelastic.

B. Price elastic.

C. Perfectly inelastic.

D. Unitary elastic.

[1 mark]

Question 3

Which of the following is a characteristic of a good with inelastic demand?

A. There are many substitutes available.

B. The good is a necessity.

C. The good is a luxury.

D. Demand changes significantly with a price change.

[1 mark]

Question 4

If a product has a PED value of -0.5, it is considered:

A. Perfectly elastic.

B. Price inelastic.

C. Price elastic.

D. Unitary elastic.

[1 mark]

Question 5

Which factor is likely to make the demand for a product more elastic?

A. The product is a necessity.

B. The product has no close substitutes.

C. The product is a luxury.

D. The product represents a small proportion of consumer income.

[1 mark]

Question 6

Cross elasticity of demand (XED) measures:

A. The relationship between income and demand.

B. The responsiveness of demand for one good to a change in the price of another good.

C. The change in supply when demand changes.

D. The responsiveness of demand to changes in consumer preferences.

[1 mark]

Question 7

A positive cross elasticity of demand (XED) suggests that two goods are:

A. Substitutes.

B. Complements.

C. Unrelated.

D. Inferior goods.

[1 mark]

Question 8

Income elasticity of demand (YED) for normal goods is:

A. Negative.

B. Zero.

C. Positive.

D. Unitary.

[1 mark]

Question 9

Which of the following would likely result in an increase in the price elasticity of demand for a product?

A. A reduction in the number of substitutes available.

B. A longer time period for consumers to adjust to price changes.

C. The product becomes a necessity.

D. The product has very few alternative uses.

[1 mark]

Question 10

If the price of a substitute good increases, how is the demand for the original good affected?

A. It decreases.

B. It remains constant.

C. It increases.

D. It fluctuates unpredictably.

[1 mark]