

## Principles of Economics Icom Part 1 English Medium Chapter 3 Online Test

Sr	Questions	Answers Choice
1	A slight change in demand and price is called:	<p>A. Point Elasticity of demand</p> <p>B. ArcElasticity of demand</p> <p>C. CrossElasticity of demand</p> <p>D. PriceElasticity of demand</p>
2	If supply of a commodity changes by more than 10% due to 10% change in its price, then elasticity of supply will be	<p>A. Equal to unity</p> <p>B. More than unity</p> <p>C. Less than unity</p> <p>D. Infinite</p>
3	Relationship between price and quantity demanded is called	<p>A. Demand schedule</p> <p>B. Demand curve</p> <p>C. Law of demand</p> <p>D. Assumptions of law of demand</p>
4	If supply does not change, then due to fall of demand	<p>A. Equilibrium price decreases</p> <p>B. Equilibrium price increases</p> <p>C. Equilibrium price does not change</p> <p>D. Equilibrium quantity increases</p>
5	If demand does not change, despite a fall in price, is called	<p>A. Fall of demand</p> <p>B. Rise of demand</p> <p>C. Contraction of demand</p> <p>D. Extension of demand</p>
6	If demand curve is parallel to x-axis, then elasticity of demand is	<p>A. Infinite</p> <p>B. Zero</p> <p>C. Equal to unity</p> <p>D. More than unity</p>
7	In which direction demand and supply curves move	<p>A. Same</p> <p>B. Opposite</p> <p>C. parallel</p> <p>D. Horizontal</p>
8	Desire + Purchasing power is equal to:	<p>A. Demand</p> <p>B. Supply</p> <p>C. Income</p> <p>D. Utility</p>
9	Non elastic demand curve is	<p>A. positive</p> <p>B. negative</p> <p>C. vertical</p> <p>D. horizontal</p>
10	What functional relationship is present between demand and price	<p>A. positive</p> <p>B. inverse</p> <p>C. increasing</p> <p>D. none of these</p>
11	Price of perishable goods is determined	<p>A. In the market period</p> <p>B. In the short period</p> <p>C. In the middle period</p> <p>D. In the long period</p>
12	The goods which are jointly demanded to satisfy a want, are called	<p>A. Complimentary goods</p> <p>B. Substitute goods</p> <p>C. Alternative goods</p> <p>D. inferior goods</p>
13	Second name of unitary method is	<p>A. Method of total satisfaction</p> <p>B. total expenditure method</p> <p>C. total revenue method</p> <p>D. Both 2nd and 3rd</p>
14	Slope of demand curve is	<p>A. Negative</p> <p>B. Positive</p> <p>C. zero</p> <p>D. fixed</p>
15	Elasticity of supply is the name of	<p>A. Change in price</p> <p>B. Change in income</p> <p>C. Feature of change in supply</p> <p>D. Change in price and income</p>

16	According to law of demand, curve moves from left to right downward. This type of tendency is called	A. Positive tendency B. Negative tendency C. Extension and contraction of demand D. Rise and fall of demand
17	If supply of a commodity is fixed, it is called	A. Market supply B. Short period supply C. Long period supply D. Middle period supply
18	If demand curve is parallel to y-axis, then elasticity of demand is	A. Equal to unity B. More than unity C. Less than unity D. Zero
19	Supply curve moves from left to right upward, this tendency is called	A. Negative B. Positive C. Horizontal D. Vertical
20	Finance minister in order to increase the public revenue, imposes tax on the commodities whose demand is less elastic	A. At low rate B. At high rate C. Some times decreases the tax rate and some times increases the tax rate D. Does not change tax rate