

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

Sr	Questions	Answers Choice
1	If the total expenditure of the consumer does not change due to increase or decrease (change) in price, then nature of elasticity of demand will be	A. Equal to unity B. Less than unity C. More than unity D. Elasticity of demand = zero
2	If the total expenditure of the consumer decreases due to decrease in price, then nature of elasticity of demand will be	A. Equal to unity B. Less than unity C. More than unity D. Elasticity of demand = zero
3	If supply goes on increasing due to a slight increase in price, then elasticity of supply is called	A. Zero B. Infinite C. Equal to unity D. More than unity
4	One of the following is not substitute good:	A. Mobile and charger B. Petrol and CNG C. Burger and Shawarma D. Both b & c
5	Due to fall in demand, curve shifts to	A. Right B. Left C. Both sides D. None of these
6	The goods which are jointly demanded are called:	A. Substitute goods B. Complimentary goods C. Alternative goods D. None of these
7	If the ratio of change in demand is equal to the ratio of change in price, elasticity of demand will be	A. More than unity B. Less than unity C. Equal to unity D. Infinite
8	Who did present unity method to measure elasticity of demand	A. Adam Smith B. Marshall C. Robbins D. keynes
9	Demand for necessities of life is	A. Les elastic B. More elastic C. Perfectly elastic D. Perfectly inelastic
10	If supply does not change despite a change in price, then elasticity of supply is called	A. Equal to unity B. Less than unity C. More than unity D. Zero
11	When there is a very small change in demand and price of a commodity, it is called	A. Point elasticity B. Arc elasticity C. Cross elasticity D. Income elasticity
12	If supply increase due to increase in price, it is called	A. Extension of supply B. Contraction of supply C. Rise of supply D. Fall of supply
13	If quantity demand changes due to the change in income, it is called:	A. Point Elasticity of demand B. Arc Elasticity of demand C. Income Elasticity of demand D. Price Elasticity of demand
14	If demand does not change, then due to rise of supply	A. Equilibrium price increases B. Equilibrium price decreases C. Equilibrium price does not change D. Equilibrium quantity decreases
15	If the demand for a commodity is less elastic, then an entrepreneur in order to increase his profit	A. Will increase its price B. Will decrease its price C. Will not change its price D. None of these

16	Slope of demand curve is	A. Negative B. Positive C. zero D. fixed
17	When supply changes due to other factors besides price, it is called	A. Rise of supply B. Fall of supply C. Rise and fall of supply D. Extension and contraction of supply
18	In which direction demand and supply curves move	A. Same B. Opposite C. parallel D. Horizontal
19	Regarding time element, the normal price has types	A. One B. Two C. Three D. Four
20	If due to a very slight decrease in price, demand goes on increasing, elasticity of demand will be	A. More than unity B. Less than unity C. Infinite D. Zero