

## Economics Ics Part 1 English Medium Chapter 4 Online Test

Sr	Questions	Answers Choice
1	Which one is not determinant of demand	A. tastes B. income C. method of production D. price
2	When the price of a product falls and as a consequence the demand for the product increase. it will be.	A. Rise of demands B. Fall of demand C. Extension of demand D. Contraction on demand
3	The law of demand will not be apply in case of	A. Inferior goods B. Superior goods C. Normal goods D. Non of them
4	The law demand will not be valid in case of.	A. Very high price products B. Normal goods C. Price effect D. Income effects
5	Price elastic of demand measures	A. change in price caused by changes in demand B. the rate of change of sales C. the responsiveness of demand to price changes D. the value of sales at a given price
6	If elasticity of demand is very low it shows that the commodity is	A. a necessity B. a luxury C. has little importance in total budget D. a and c above
7	The demand of a commodity having many substitutes is	A. more elastic B. less elastic C. zero elastic D. infinite elastic
8	Mr. Suleri bought 50 litters of petrol when his monthly income was Rs. 25000. Now his monthly income has risen to Rs. 50000 and he purchases 100 litres of petrol. His income elasticity of demand for petrol is	A. 1 B. 100% C. less than one D. more than one
9	When demand is perfectly inelastic, an increase in price will result in	A. decrease in total revenue B. increase in total revenue C. no change in total revenue D. decrease in quantity demanded
10	When the demand of a product rises due to factors except price it will be.	A. Extension of demands B. Rise of demand C. Contraction of demand D. Extension of demand
11	Price and demand are positively correlated in case of	A. necessities B. comforts C. Giffen goods D. Luxuries
12	The following are causes of shift in demand EXCEPT the one	A. change in income B. change in price C. change in fashion D. change in prices of substitutes
13	The demand of a good falls when.	A. Its price falls B. Price of the substitute changes C. its price rises D. It price remain constant
14	When price elasticity of demand for normal goods in calculated, the value is always	A. positive B. negative C. constant D. greater than one
		A. Other things do not remain

15	The demand of a will expand when:	constant. B. Price of the products changes. C. Value of money falls. D. None of the three
16	If demand has unit price elasticity, a change in price causes	A. increase in total revenue B. decrease in total revenue C. no change in total revenue D. indeterminate
17	Irrespective of price, Somia always spends Rs. 100 a week on ice cream, we conclude that	A. elasticity of demand is 0 B. elasticity of demand is 1 C. elasticity of demand is infinite D. law of demand has been violated
18	The demand curve is negatively sloped due to	A. Income effect B. Substitution effect C. Price effect D. All the three
19	If price elasticity of demand is very low, the commodity is	A. necessity B. luxury C. substitute D. not available
20	When cross elasticity of demand for A and B is positive number, one can conclude that	A. the goods are cheaper B. the goods are inferior C. the goods are substitutes D. the goods are complements