

Economics Ics Part 1 English Medium Chapter 4 Online Test

Sr	Questions	Answers Choice
1	The law of demand will not be apply in case of	A. Inferior goods B. Superior goods C. Normal goods D. Non of them
2	Wit rapid economic growth in a country the individual demand curve will:	A. Rise B. Fall C. Extend D. Contract
3	When the price of a product falls and as a concequence 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
4	When price elasticity of demand for normal goods in calculated, the value is always	A. positive B. negative C. constant D. greater than one
5	Income elasticity of demand for normal good is always	A. 1 B. more than one C. negative D. positive
6	Market demand curve is a summation of all individual demand curves as	A. Vertical B. horizontal C. mathematical D. local
7	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
8	Haris has a special taste for chicken rolls of college canteen. The owner of the canteen doubles the price of chicken roll. Haris did not respond to the increase in prices and kept on demanding the same quantity of chicken roll. His demand for chicken roll is	A. perfectly elastic B. perfectly inelastic C. elastic D. less elastic
9	Demand is a function of	A. price B. quantity C. supply D. none
10	The demand of a will expand when:	A. Other things do not remain constant. B. Price of the products changes. C. Value of money falls. D. None of the three
11	Price of a product falls by 10% and its demand rises by 30%. The elasticity of demand is	A. 10% B. 30% C. 3 D. 1/3
12	This is the assumption of law of demand	A. price of the commodity should not change B. Quantity demanded should not change C. Price of substitutes should not change D. Demand curve must be linear
13	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
14	Which of the following is a demand function?	A. Q + 4P = 20 B. Q = 35 + 3P C. Q - 2P - 15 = 0 D. 5P - Q = 4

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15	If quantity demanded is completely unresponsive to changes in price, demand is	A. inelastic B. unit elastic C. elastic D. perfectly inelastic
16	A seller can increase his sales revenue by charging a lower price, if the demand has	A. e < 1 B. e = 1 C. e > 1 D. e = 0
17	Cross elasticity of Suzuki and Honda cars will be	A. Positive B. negative C. zero D. infinite
18	One of the following is not an exception the law of demand.	A. Very high price products B. Very low price products C. Ignorance of consumers D. Non of the above
19	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
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