

Economics Ics Part 1 English Medium Chapter 4 Online Test

Sr	Questions	Answers Choice
1	The elasticity of demand of durable goods is	A. less than unity B. greater than unity C. equal to unity D. zero
2	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
3	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
4	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
5	Law of demand shows relation between	A. income and price of commodity B. price and quantity of a commodity C. income and quantity demanded D. quantity demanded and quantity supplied
6	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
7	Other things equal, if a good has more substitutes, its price elasticity of demand is	A. larger B. smaller C. zero D. unity
8	If demand is unitary elastic, a 25% increase in price will result in	A. 25% change in total revenue B. no change in quantity demanded C. 1% decrease in quantity demanded D. 25% decrease in quantity demanded
9	When price elasticity of demand for normal goods is calculated, the value is always	A. positive B. negative C. constant D. greater than one
10	Cross elasticity of Suzuki and Honda cars will be	A. Positive B. negative C. zero D. infinite
11	Demand is a function of	A. price B. quantity C. supply D. none
12	The law demand will not be valid in case of.	A. Very high price products B. Normal goods C. Price effect D. Income effects
13	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
14	Which one is not determinant of demand	A. tastes B. income C. method of production D. price

A. inelastic

15	If price and total revenue move in the same direction, then demand is	B. elastic C. unrelated D. perfectly elastic
16	Market demand curve is a summation of all individual demand curves as	A. Vertical B. horizontal C. mathematical D. local
17	With rapid economic growth in a country the individual demand curve will:	A. Rise B. Fall C. Extend D. Contract
18	When the price of a product falls and as a consequence the demand for the product increases, it will be.	A. Rise of demands B. Fall of demand C. Extension of demand D. Contraction on demand
19	If quantity demanded is completely unresponsive to changes in price, demand is	A. inelastic B. unit elastic C. elastic D. perfectly inelastic
20	Income elasticity of demand for normal good is always	A. 1 B. more than one C. negative D. positive