

## Economics Ics Part 1 English Medium Chapter 5 Online Test

Sr	Questions	Answers Choice
1	The price of a product double due to which its quantity demand falls to one half. The elasticity of demand for product will be:	<ul style="list-style-type: none"> <li>A. Equal to unity</li> <li>B. Less than unity</li> <li>C. Greater than unity</li> <li>D. Equal to zero</li> </ul>
2	Supply curve	<ul style="list-style-type: none"> <li>A. is vertical in long run</li> <li>B. is flatter in long run</li> <li>C. is same in long and short run</li> <li>D. is horizontal in both short and long run</li> </ul>
3	When a supply of a commodity increases without change in price it is called	<ul style="list-style-type: none"> <li>A. fall in supply</li> <li>B. expansion in supply</li> <li>C. contraction in supply in</li> <li>D. rise in supply</li> </ul>
4	If elasticity of supply is greater than one. supply curve will be	<ul style="list-style-type: none"> <li>A. horizontal</li> <li>B. vertical</li> <li>C. passing through origin</li> <li>D. touching y-axis</li> </ul>
5	The elasticity of demand for a product is less than unity. Therefore, with a fall in its price, total expenditure of consumer will.	<ul style="list-style-type: none"> <li>A. Fall</li> <li>B. Rise</li> <li>C. Remain the same</li> <li>D. Fluctuate</li> </ul>
6	Elasticity of demand in case of minor change in price and quantity demand will be .	<ul style="list-style-type: none"> <li>A. Income elasticity of demand</li> <li>B. Cross elasticity of demand</li> <li>C. Point elasticity of demand</li> <li>D. Arc elasticity of demand</li> </ul>
7	It describes the law of supply	<ul style="list-style-type: none"> <li>A. supply curve</li> <li>B. supply schedule</li> <li>C. supply equation</li> <li>D. all the three</li> </ul>
8	An increases in demand would cause supply curve to	<ul style="list-style-type: none"> <li>A. shift to the left</li> <li>B. shift to the right</li> <li>C. change in slope of supply curve</li> <li>D. no effect on supply</li> </ul>
9	Supply of a commodity means	<ul style="list-style-type: none"> <li>A. willingness to sell a certain quantity</li> <li>B. physical stocks available</li> <li>C. planned production</li> <li>D. total production in a given period</li> </ul>
10	The method to measure the elasticity of demand is :	<ul style="list-style-type: none"> <li>A. Percentage method</li> <li>B. Total outlay approach</li> <li>C. Geometric approach</li> <li>D. All the three</li> </ul>
11	When the percentage change in quantity demanded is greater than the percentage change in price, elasticity of demand for the product will be.	<ul style="list-style-type: none"> <li>A. Equal to unity</li> <li>B. Less than unity</li> <li>C. Greater than unity</li> <li>D. Equal to zero</li> </ul>
12	Which one is increasing function of price	<ul style="list-style-type: none"> <li>A. demand</li> <li>B. utility</li> <li>C. supply</li> <li>D. consumption</li> </ul>
13	The composite demand for a product is generally:	<ul style="list-style-type: none"> <li>A. Elastic</li> <li>B. Inelastic</li> <li>C. Equal to unity</li> <li>D. Equal to zero</li> </ul>
14	Elasticity of a demand for product will be greater then unity if, with a fall in its price, total expenditure of consumer.	<ul style="list-style-type: none"> <li>A. Increase</li> <li>B. Falls</li> <li>C. Remains the same</li> <li>D. None of the three</li> </ul>
15	In case of perfectly elastic demand curve, the demand curve will be parallel to the.	<ul style="list-style-type: none"> <li>A. Horizontal Axis</li> <li>B. Vertical Axis</li> <li>C. None of the above</li> </ul>

16	If the price of a product increase from Rs. 12 per unit and as a consequence quantity demand of the product falls from 100 units to 50 units . The price elasticity of the product will be.	A. 2.5 B. 0.5 C. 1.5 D. 3.5
17	The demand for a product is inelastic. In order to increase government revenue, the finance minister will :	A. Lower down the tax rate B. Increase the tax rate C. Not change the tax rate D. Double the tax rate
18	If a firm makes 200 units of a good available at a price of Rs. 10 per unit, the elasticity is	A. 0.05 B. 10 C. 20 D. indeterminate
19	Which of the following shifts supply curve of cars to the right	A. tax on new cars B. increase in wages of workers C. decrease in steel price D. a successful promotion campaign by sellers
20	If a change in demand is brought by a change in income, of demand will be.	A. Income elasticity B. Price elasticity C. Cross elasticity D. Arcelasticity