

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:	A. Equal to unity B. Less than unity C. Greater than unity D. Equal to zero
2	Other things remaining the same, quantity supplied of a commodity increases with rise in price and decreases with fall in price are called	A. Law of Supply B. Law of Demand C. Law of equilibrium D. None of these
3	During a particular year farmers experienced a dry weather, if all other factors remain constant, farmers supply curve for wheat will shift to	A. rightward B. leftward C. downward D. no direction
4	In case of perfectly elastic demand curve, the demand curve will be parallel to the.	A. Horizontal Axis B. Vertical Axis C. None of the above
5	What best explains a shift in market supply curve to the right?	A. an advertising campaign is successful in promoting the good B. a new technique makes it cheaper to produce the good C. the government introduces a tax on the good D. the price of raw materials increases
6	Elasticity of demand in case of minor change in price and quantity demand will be .	A. Income elasticity of demand B. Cross elasticity of demand C. Point elasticity of demand D. Arc elasticity of demand
7	Supply of a commodity means	A. willingness to sell a certain quantity B. physical stocks available C. planned production D. total production in a given period
8	When a supply of a commodity increases without change in price it is called	A. fall in supply B. expansion in supply C. contraction in supply in D. rise in supply
9	Long period supply curve is	A. relatively flatter B. relatively steeper C. more elastic D. a and c of above
10	It describes the law of supply	A. supply curve B. supply schedule C. supply equation D. all the three
11	In May 2012, firm was supplying 1000 kg of sugar at market price of Rs. 60/- per kg. During June 2012, firm's supply of sugar had decreased to 900 kg at price Rs. 40/- per kg. These changes show that supply of sugar is	A. Perfectly elastic B. Perfectly inelastic C. Less elastic D. More elastic
12	The composite demand for a product is generally:	A. Elastic B. Inelastic C. Equal to unity D. Equal to zero
13	With a fall in price quantity demand changes in such a way that total expenditure of the consumer remain constant, elasticity of demand will be.	A. Equal to unity B. Greater than unity C. Less than unity D. Equal to zero
14	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

15	Supply curve	A. is vertical in long run B. is flatter in long run C. is same in long and short run D. is horizontal in both short and long run
16	With a fall in the price of a Giffen good or inferior good its quantity demand will.	A. Fall B. Rise C. Remain unchanged D. None of three
17	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
18	Elasticity of a demand for product will be greater than unity if, with a fall in its price, total expenditure of consumer.	A. Increase B. Falls C. Remains the same D. None of the three
19	The method to measure the elasticity of demand by the unitary method was introduced by.	A. Alfred Marshall B. Robbins C. Adam Smith D. Malthus
20	Products A and B are substitutes whereas A and C are complement. With a rise in the price of product A, quantity demand of:	A. Product B will go up B. Product will fall C. Both the above will take place D. Nothing will take place