

Economics Ics Part 1 English Medium Chapter 6 Online Test

Sr	Questions	Answers Choice
1	A fall fall in supply will take place due to a:	A. Business collusion B. Bumper crop C. Fall in custom duty D. Fall in income
2	An increases in the price of mutton provides information which	A. tells consumers to buy more mutton B. tells consumers to buy more chicken C. tells producers to produce more mutton D. b and c of above
3	When there is big change in quantity supplied resulting from a minor change in its price, its elasticity of supply will be.	A. Equal to unity B. Less than unity C. Equal to zero D. Greater than unity
4	The price and sales of sugar both increase. What could be the cause of this?	A. a decrease in the income of the consumers. B. a decrease in the tax on sugar C. An increase in the wages of workers in the sugar industry D. An increase in the price of sugar substitutes
5	Demand and supply forces determine market price	A. only in perfect competition B. only in monopoly market C. in both markets D. none of the above
6	A change in price brings in quantity supplied. it will be.	A. Rise in supply B. Contraction of supply C. Fall in supply D. Extension of supply
7	If equilibrium price rises but equilibrium quantity remains unchanged, the cause is	A. supply and demand both increase equally B. supply and demand both decrease equally C. supply decreases and demand increases D. supply increases and demand decreases
8	When the price of a product increase by 100 percent and as a consequence, its quantity supplied increase by 125 percent, Its elasticity of supply will be.	A. Less than unity B. Greater than unity C. Equal to unity D. Equal to zero
9	Markets where firms supply goods and services demanded by households are	A. factor market B. product market C. open markets D. resource markets
10	Ten rupees is the equilibrium price for good Z. If govt. fixes price at Rs. 5, there is	A. a shortage B. a surplus C. excess supply D. loss
11	One of the following is not an assumption of law of supply.	A. Political system should not changed B. Cost of production should not changed C. Production technique should not changed D. Cost of raw material should not changed
12	Extension of supply will take place as a consequence of:	A. Change in price B. Change in population C. Change in technology D. Change in money supply
		A. rise

13	A decrease in demand causes the equilibrium price to	<p>B. fall</p> <p>C. remain constant</p> <p>D. indeterminate</p>
14	If equilibrium price rises but equilibrium quantity is unchanged, the cause is	<p>A. supply and demand both increase equally</p> <p>B. supply and demand decrease equally</p> <p>C. supply curve is vertical and demand increases</p> <p>D. supply increases and demand is same</p>
15	Which one will be termed as supply of a product.	<p>A. One tone potato in cold storage</p> <p>B. One ton rice offered for sale in market</p> <p>C. One ton rice brought for sale in market at a certain price.</p> <p>D. None of the three</p>
16	A rise in supply and demand in equal proportion will result in	<p>A. increase in equilibrium price and decrease in equilibrium quantity</p> <p>B. decreases in equilibrium price and increases in equilibrium quantity</p> <p>C. no change in equilibrium price and increases in equilibrium quantity</p> <p>D. increases in equilibrium price and no change in equilibrium quantity</p>
17	If we know that quantities bought and sold are equal, we can conclude that	<p>A. quantities demanded and supplied are also equal</p> <p>B. the market is in equilibrium</p> <p>C. there will be no tendency for a price change</p> <p>D. all of the above</p>
18	With an increase in cost of production, price of the product rises while supply of the product will.	<p>A. Fall</p> <p>B. Rise</p> <p>C. Remain unchanged</p> <p>D. Non of the three</p>
19	In market equilibrium, supply is vertical line. The downward sloping demand curve shifts to the right. Then	<p>A. price will fall</p> <p>B. price remains same</p> <p>C. price will rise</p> <p>D. quantity rises</p>
20	Demands and supply curves cross at	<p>A. always at 60 degree</p> <p>B. at 90 degree</p> <p>C. at equal angle</p> <p>D. at any angle</p>
21	Market equilibrium means	<p>A. number of buyers and sellers are equal</p> <p>B. demand and supply of commodity are equal</p> <p>C. no price is changing</p> <p>D. prices rise very slowly</p>
22	Market equilibrium means a situation where	<p>A. $Q_s = Q_d$</p> <p>B. $Q_s = Q_p$</p> <p>C. $Q_d = Q_p$</p> <p>D. $Q_q = Q_p$</p>
23	A producers has one thousand tons of rice to be offered for sale at a certain price in future, it will be called.	<p>A. Supply of output</p> <p>B. Production</p> <p>C. Buffer stock</p> <p>D. Stock</p>
24	Equilibrium	<p>A. is a state that can never be achieved in economics</p> <p>B. is an important idea for predicting economics changes</p> <p>C. is a stable condition</p> <p>D. is an unstable condition</p>
25	If price is set above equilibrium level, there will be	<p>A. surplus commodity in the market</p> <p>B. shortage of commodity in the market</p> <p>C. supply curve will shift</p> <p>D. demand curve will shift</p>
26	When the supply curve of a product is parallel to the vertical axis, it would mean that;	<p>A. Different quantities of a product are supplied at the same price.</p> <p>B. Different quantities of a product are supplied at different price.</p> <p>C. Same quantities of a product are supplied at different price.</p> <p>D. None of three</p>

A. Parallel to vertical axis

27	Perfectly inelastic supply curve is:	<p>A. Parallel to vertical axis</p> <p>B. Parallel to horizontal axis</p> <p>C. Rises upward to the right</p> <p>D. Falls downward to the right</p>
28	In case of a fall in supply.	<p>A. Quantity supplied falls at the same price.</p> <p>B. Quantity supplied rises at the same price.</p> <p>C. Quantity supplied remain at the lower price.</p> <p>D. None of the three</p>
29	Market Price of Perishable	<p>A. Commodities</p> <p>B. Utility</p> <p>C. Consumer</p> <p>D. None of these</p>
30	Price of a product is determined in a free market	<p>A. by demand for the product</p> <p>B. by supply of the product</p> <p>C. by both demand and supply</p> <p>D. by the government</p>
31	When price is fixed below equilibrium level, there will be	<p>A. surplus commodity in the market</p> <p>B. shortage of commodity in the market</p> <p>C. supply curve will shift</p> <p>D. demand curve will shift</p>
32	When demand is perfectly elastic, an increase in supply will result in	<p>A. decrease in quantity sold</p> <p>B. increase in quantity sold</p> <p>C. fall in price</p> <p>D. b and c above</p>