

Economics Ics Part 1 English Medium Chapter 6 Online Test

Sr	Questions	Answers Choice
1	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
2	If equilibrium price rises but equilibrium quantity is unchanged, the cause is	A. supply and demand both increase equally B. supply and demand decrease equally C. supply curve is vertical and demand increases D. supply increases and demand is same
3	Market Price of Perishable	A. Commodities B. Utility C. Consumer D. None of these
4	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
5	If price is set above equilibrium level, there will be	A. surplus commodity in the market B. shortage of commodity in the market C. supply curve will shift D. demand curve will shift
6	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
7	When demand is perfectly elastic, an increase in supply will result in	A. decrease in quantity sold B. increase in quantity sold C. fall in price D. b and c above
8	When the supply curve of a product is parallel to the vertical axis, it would mean that;	A. Different quantities of a product are supplied at the same price. B. Different quantities of a product are supplied at different price. C. Same quantities of a product are supplied at different price. D. None of three
9	Which one will be termed as supply of a product.	A. One tone potato in cold storage B. One ton rice offered for sale in market C. One ton rice brought for sale in market at a certain price. D. None of the three
10	A decrease in demand causes the equilibrium price to	A. rise B. fall C. remain constant D. indeterminate
11	Market equilibrium means a situation where	A. $Q_s = Q_d$ B. $Q_s = Q_p$ C. $Q_d = Q_p$ D. $Q_q = Q_p$
12	If we know that quantities bought and sold are equal, we can conclude that	A. quantities demanded and supplied are also equal B. the market is in equilibrium C. there will be no tendency for a price change D. all of the above

13	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>
14	Demand and supply forces determine market price	<p>A. only in perfect competition</p> <p>B. only in monopoly market</p> <p>C. in both markets</p> <p>D. none of the above</p>
15	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>
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	One of the following is not an assumption of law of supply.	<p>A. Political system should not changed</p> <p>B. Cost of production should not changed</p> <p>C. Production technique should not changed</p> <p>D. Cost of raw material should not changed</p>
18	A change in price brings in quantity supplied. it will be.	<p>A. Rise in supply</p> <p>B. Contraction of supply</p> <p>C. Fall in supply</p> <p>D. Extension of supply</p>
19	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>
20	The price and sales of sugar both increase. What could be the cause of this?	<p>A. a decrease in the income of the consumers.</p> <p>B. a decrease in the tax on sugar</p> <p>C. An increase in the wages of workers in the sugar industry</p> <p>D. An increase in the price of sugar substitutes</p>