

Economics Ics Part 1 English Medium Chapter 6 Online Test

Sr	Questions	Answers Choice
1	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
2	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
3	Markets where firms supply goods and services demanded by households are	A. factor market B. product market C. open markets D. resource markets
4	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
5	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
6	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
7	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
8	Perfectly inelastic supply curve is:	A. Parallel to vertical axis B. Parallel to horizontal axis C. Rises upward to the right D. Falls downward to the right
9	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
10	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
11	A producer has one thousand tons of rice to be offered for sale at a certain price in future, it will be called.	A. Supply of output B. Production C. Buffer stock D. Stock
12	An increase 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
		A. price will fall

13	In market equilibrium, supply is vertical line. The downward sloping demand curve shifts to the right. Then	<ul style="list-style-type: none"> B. price remains same C. price will rise D. quantity rises
14	If equilibrium price rises but equilibrium quantity remains unchanged, the cause is	<ul style="list-style-type: none"> 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
15	Market Price of Perishable	<ul style="list-style-type: none"> A. Commodities B. Utility C. Consumer D. None of these
16	Price of a product is determined in a free market	<ul style="list-style-type: none"> A. by demand for the product B. by supply of the product C. by both demand and supply D. by the government
17	With an increase in cost of production, price of the product rises while supply of the product will.	<ul style="list-style-type: none"> A. Fall B. Rise C. Remain unchanged D. Non of the three
18	A decrease in demand causes the equilibrium price to	<ul style="list-style-type: none"> A. rise B. fall C. remain constant D. indeterminate
19	Demand and supply forces determine market price	<ul style="list-style-type: none"> A. only in perfect competition B. only in monopoly market C. in both markets D. none of the above
20	When price is fixed below equilibrium level, there will be	<ul style="list-style-type: none"> A. surplus commodity in the market B. shortage of commodity in the market C. supply curve will shift D. demand curve will shift