

## Economics Ics Part 1 English Medium Chapter 6 Online Test

Sr	Questions	Answers Choice
1	A decrease in demand causes the equilibrium price to	A. rise B. fall C. remain constant D. indeterminate
2	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
3	Equilibrium	A. is a state that can never be achieved in economics B. is an important idea for predicting economics changes C. is a stable condition D. is an unstable condition
4	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
5	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
6	Price of a product is determined in a free market	A. by demand for the product B. by supply of the product C. by both demand and supply D. by the government
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 there is big change in quantity supplied resulting from a minor change in price, its elasticity of supply will be.	A. Equal to unity B. Less than unity C. Equal to zero D. Greater than unity
9	In market equilibrium, supply is vertical line. The downward sloping demand curve shifts to the right. Then	A. price will fall B. price remains same C. price will rise D. quantity rises
10	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
11	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
12	When price is fixed below 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
13	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

14	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
15	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
16	Market equilibrium means a situation where	A. $Q_{s} = Q_{d}$ B. $Q_{s} = Q_{p}$ C. $Q_{d} = Q_{p}$ D. $Q_{q} = Q_{p}$
17	With an increase in cost of production, price of the product rises while supply of the product will.	A. Fall B. Rise C. Remain unchanged D. Non of the three
18	Market Price of Perishable	A. Commodities B. Utility C. Consumer D. None of these
19	Markets where firms supply goods and services demanded by households are	A. factor market B. product market C. open markets D. resource markets
20	In case of a fall in supply.	A. Quantity supplied falls at the same price. B. Quantity supplied rises at the same price. C. Quantity supplied remain at the lower price. D. None of the three