

## Principles of Economics Icom Part 1 English Medium Chapter 3 Online Test

Sr	Questions	Answers Choice
1	Demand for the commodities whose use can be postponed is	A. Less elastic B. More elastic C. Perfectly inelastic D. infinitely elastic
2	If demand does not change, then due to fall of supply	A. Equilibrium price increases B. Equilibrium price decreases C. Equilibrium quantity increases
3	If demand for commodity X changes due to the change in price of commodity, it is called	A. Cross elasticity B. Price elasticity C. Income elasticity D. Arc elasticity
4	In order to satisfy some wants, more than one commodities are needed. Demand for such commodities is called	A. Joint demand B. Composite demand C. Derived demand D. Direct demand
5	Quickly destroyable goods are called	A. Superior goods B. Inferior goods C. Perishable goods D. Giffen goods
6	When supply increases due to other factors besides price, it is called	A. Extension of supply B. Contraction of supply C. Rise of supply D. Fall of supply
7	Market equilibrium is attained when there exists in the market	A. Perfect competition B. Imperfect competition C. Monopoly D. Large quantity of commodity comes in the market
8	Demand for good like Television and VCR is	A. Less elastic B. More elastic C. Perfectly inelastic D. Infinitely elastic
9	If price of a commodity remains constant but its supply decreases or price increases but supply remains constant, it is called	A. Rise of supply B. Extension of supply C. Fall of supply D. Contraction of supply
10	If two goods are substitute, cross Elasticity of demand will be:	A. Zero B. Infinite C. Positive D. Negative
11	The goods which are jointly demanded are called:	A. Substitute goods B. Complimentary goods C. Alternative goods D. None of these
12	If supply of a commodity changes by less than 10% due to a 10% change in its price, then elasticity of supply will be	A. Equal to unity B. More than unity C. Less than unity D. Zero
13	Reserve price of a commodity is that price	A. Which is more than the cost of production of the seller B. At which the seller sells his commodity in the market C. Which is equal to the cost of production of the seller D. Below which the seller is not ready to sell his commodity
14	If quantity demand changes due to the change in income, it is called:	A. Point Elasticity of demand B. Arc Elasticity of demand C. Income Elasticity of demand D. Price Elasticity of demand

15	Vertical supply curve means	<p>A. Same quantity supplied at differentiated price B. Different quantities supplied at one price C. Different quantities supplied at different prices D. None of three</p>
16	By increasing the cost of production, the supply	<p>A. Extends B. contracts C. Falls D. Rises</p>
17	Kinds of supply according to period of time are	<p>A. Two B. Three C. Four D. Five</p>
18	Which one is not condition of perfect competition	<p>A. Homogeneity of good B. Difference in price of good C. Large number of buyers and sellers D. Perfect knowledge of market</p>
19	If demand decreases by 5% due to 10% increase in Price, then elasticity of demand is	<p>A. Equal to unity B. More than unity C. Less than unity D. Zero</p>
20	Unitary method for Elasticity of demand was presented by:	<p>A. Marshall B. Keynes C. Robbins D. Adam smith</p>