

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

C-	Questions	Anguara Chaica
Sr	Questions	Answers Choice
1	When price decreases, supply	A. Extends B. Contracts C. Becomes zero D. Remains fixed
2	Cause of shifting of demand curve is	A. Change in price B. Desire C. Other factors D. Exceptions
3	If demand rises more proportionately than that of supply, then	A. Equilibrium price increases B. Equilibrium price decreases C. Equilibrium price does not change D. Equilibrium quantity decreases
4	Unity method to measure elasticity of supply is presented by	A. Adam Smith B. Robbins C. Marshall D. Faruson
5	When demand curve shifts leftward (or downward), it is called	A. Rise of demand B. Fall of demand C. Extension of demand D. Contraction of demand
6	According to law of supply which factor changes the supply	A. cost of producton B. price C. climatic conditions D. level of income
7	If demand curve is parallel to y-axis, then elasticity of demand is	A. Equal to unity B. More than unity C. Less than unity D. Zero
8	Demand for a commodity means	A. Desire to purchase B. Power to purchase C. Price of commodity D. All the three
9	A textile mill produces 2000 meters cloth. Entrepreneur offers 1500 meters cloth to sell at price Rs 100 per meter and 500 meters cloth keeps with him. Cloth kept by the entrepreneur is called	A. Total production B. Supply C. Stock D. Surplus production
10	One of the following is not substitute good:	A. Mobile and charger B. Petrol and CNG C. Burger and Shawarma D. Both b & D. Both b
11	If two goods are complimentary, cross Elasticity of demand will be:	A. Zero B. Infinite C. Positive D. Negative
12	If demand curve is parallel to x-axis, then elasticity of demand is	A. Infinite B. Zero C. Equal to unity D. More than unity
13	Demand for basic necessities of life is:	A. Perfectly elastic B. Less elastic C. Perfectly inelastic D. More elastic
14	Supply of perishable goods e.g. groceries, fruit, meat etc is	A. Less elastic B. More elastic C. Perfectly inelastic D. Perfectly elastic
15	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
16	If the demand for a commodity is less elastic, then an entrepreneur in order to increase his profit	A. Will increase its price B. Will decrease its price C. Will not change its price D. None of these
17	Who does determine the reserve price	A. Buyer B. Seller C. Government D. District adminitration
18	If the demand for a commodity is more elastic, then an entrepreneur in order to increase his profit	A. Will increase its price B. Will decrease its price C. Will not change its price D. None of these
19	Second name of unitary method is	A. Method of total satisfication B. total expenditure method C. total revenue method D. Both 2nd and 3rd
20	If the rate of change in price and quantity demand is in equal ratio, then Elasticity of demand is:	A. Equal to zero B. Equal to one C. Smaller than one D. Greater than one