

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

Sr	Questions	Answers Choice
1	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
2	If elasticity of supply is less than unity then extending supply curve downward, it passes through or crosses	A. y-axis B. x-axis C. Point of origin D. Becomes vertical
3	In case of perfectly elastic supply or infinite elasticity of supply, supply curve is	A. Horizontal (parallel to x-axis) B. Vertical (parallel to y-axis) C. Positive sloped D. Negative sloped
4	Which one is increasing function of price	A. Demand B. Supply C. Utility D. Consumption
5	If due to a very slight decrease in price, demand goes on increasing, elasticity of demand will be	A. More than unity B. Less than unity C. Infinite D. Zero
6	If 50% change in demand in response of 50% change in price then:	A. Elasticity of demand = 1 B. Elasticity of demand \leq 1 C. Elasticity of demand \geq 1 D. Elasticity of demand = 0
7	The duty of a market is not to	A. make exchange of goods B. contact buyers and sellers C. determine price D. give maximum output
8	Which combination of the following is of joint demand	A. Tea and coffee B. Petrol and car C. Meat and grocery D. Inkpot and book
9	Supply means	A. total money of a specific producer B. Number of buyers C. quantity of goods offered for sale at different prices D. purchasing power of quantity supplied
10	If two goods are complimentary, cross Elasticity of demand will be:	A. Zero B. Infinite C. Positive D. Negative
11	Price determined with the equilibrium of demand and supply on some day	A. Short period price B. Long period price C. Market price D. Normal price
12	Supply curve moves from left to right upward, this tendency is called	A. Negative B. Positive C. Horizontal D. Vertical
13	Cause of shifting of supply curve is	A. Change in price B. Other factors C. Change in tax D. Change in income
14	What is meant by demand for a commodity in economics	A. To desire for a commodity B. To have power to buy C. To have power to buy a commodity with desire D. Quantity of a commodity
15	Cause of movement along the supply curve is	A. Change in price B. Other factors

15	Causes of movement along the supply curve is	C. Change in tax D. Change in income
16	If two goods are substitute, cross Elasticity of demand will be:	A. Zero B. Infinite C. Positive D. Negative
17	If supply of a commodity is fixed, it is called	A. Market supply B. Short period supply C. Long period supply D. Middle period supply
18	If supply of a commodity changes by more than 10% due to 10% change in its price, then elasticity of supply will be	A. Equal to unity B. More than unity C. Less than unity D. Infinite
19	Relationship between price of a commodity and demand for it exists	A. Positive B. Inverse C. Indirect D. None of these
20	If there is big change in Price and demand, it is called	A. Arc elasticity B. Point elasticity C. Income elasticity D. Cross elasticity