

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

Sr	Questions	Answers Choice
1	Demand for Giffen goods is:	A. Negative B. Vertical C. Positive D. All of them
2	Rise of supply can be shown with the help of	A. A supply curve B. More than one supply curves C. Fixed supply curve D. Vertical supply curve
3	Finance minister imposes tax on the goods having more elastic demand	A. At low rate B. At high rate C. At the same rate D. At zero rate
4	The goods which are jointly demanded are called:	A. Substitute goods B. Complimentary goods C. Alternative goods D. None of these
5	In which direction demand and supply curves move	A. Same B. Opposite C. parallel D. Horizontal
6	Who did present unity method to measure elasticity of demand	A. Adam Smith B. Marshall C. Robbins D. keynes
7	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
8	Finance minister in order to increase the public revenue imposes the tax on the commodities whose demand is more elastic	A. At low rate B. At high rate C. Some times decreases the rate and some times increases D. Does not change Tax rate
9	Elasticity of demand for substitute and jointly demanded goods is called	A. Income elasticity B. Arc elasticity C. Cross elasticity D. Point elasticity
10	Cause of shifting of demand curve is	A. Change in price B. Desire C. Other factors D. Exceptions
11	When demand for a commodity changes due to the change in price of some other commodity, it is called	A. Point elasticity B. Arc elasticity C. income elasticity D. cross elasticity
12	If supply does not change despite a change in price, then elasticity of supply is called	A. Equal to unity B. Less than unity C. More than unity D. Zero
13	What functional relationship is present between demand and price	A. positive B. inverse C. increasing D. none of these
14	The price at which quantity demanded and supplied are equal	A. Equilibrium price B. Reserve price C. Fixed price D. Variable price
15	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
16	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
17	When there are small and minor changes in price and demand then	A. Price elasticity B. Income elasticity C. Cross elasticity D. Point elasticity
18	If demand does not change, then due to rise of supply	A. Equilibrium price increases B. Equilibrium price decreases C. Equilibrium price does not change D. Equilibrium quantity decreases
19	The goods on which law of demand does not apply, are called	A. Services B. Goods and services C. Giffin goods D. Capital goods
20	If the total expenditure of the consumer decreases due to decrease in price, then nature of elasticity of demand will be	A. Equal to unity B. Less than unity C. More than unity D. Elasticity of demand = zero