

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

Sr	Questions	Answers Choice
1	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
2	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
3	Flux method is also known as:	A. Percentage method B. Unitary method C. Total expenditure method D. All of them
4	Demand for necessities of life is	A. Less elastic B. More elastic C. Perfectly elastic D. Perfectly inelastic
5	The goods which are jointly demanded to satisfy a want, are called	A. Complimentary goods B. Substitute goods C. Alternative goods D. inferior goods
6	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
7	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
8	Due to rise in demand, demand curve shifts to	A. Right B. Left C. Both sides D. None of these
9	Quantity of a commodity which a person is ready to purchase at a particular price, is called	A. Individual demand B. Market demand C. Supply D. Market Supply
10	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
11	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
12	The demand curve slopes	A. upwards B. Horizontal C. vertical D. downward to the right
13	Supply of goods depends upon	A. Price B. Income C. Price and income D. Utility
14	If demand decreases by 10% due to 10% increase in Price, then elasticity of demand is	A. Equal to unity B. More than unity C. Less than unity D. Zero
15	Stock means the quantity of a commodity	A. Which is offered for sale in the market B. Which is sold in the market C. Total production is called stock D. Total quantity of a commodity

D. Which the seller keeps in his possession without selling

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16	Who did present formula to measure Arc elasticity of demand	A. Adam Smith B. Marshall C. Allen D. Keynes
17	In case of rise in demand, demand curve shifts:	A. Right side B. Downward C. Upward D. (a) and (c)
18	Some inferior goods having expensive substitutes are known as:	A. Economic goods B. Giffen goods C. Non-economic goods D. Free goods
19	If demand changes by more than 10% due to 10% change in price, then elasticity of demand is called	A. Equal to unity B. More than unity C. Less than unity D. Infinite
20	Unity method to measure elasticity of supply is presented by	A. Adam Smith B. Robbins C. Marshall D. Faruson

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