

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	Intersection of demand and supply curve is called	A. Equilibrium of firm B. Equilibrium of demand C. Equilibrium of supply D. Equilibrium point
3	The price at which entrepreneur has a sufficient time to meet the demand, is called	A. Market price B. Normal price C. Reserve price D. Normal price
4	Income elasticity of demand is concerned with	A. Income and consumption of wealth B. Income and demand for good C. Price and income of the consumer D. Price and demand for good
5	If supply is fixed then due to fall of demand	A. Equilibrium price decreases B. Equilibrium quantity increases C. Equilibrium price increases D. Equilibrium price does not change
6	If demand does not change, despite a fall in price, is called	A. Fall of demand B. Rise of demand C. Contraction of demand D. Extension of demand
7	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
8	Demand for a commodity means	A. Desire to purchase B. Power to purchase C. Price of commodity D. All the three
9	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
10	That particular price below which price the seller is not ready to sell his commodity, is called	A. Market price B. Normal price C. Reserve price D. All the three
11	Relationship between price of a commodity and demand for it exists	A. Positive B. Inverse C. Indirect D. None of these
12	Supply curve shifts due to better technique of production	A. Rightward B. Leftward C. Does not change D. Vertical
13	The goods which are jointly demanded to satisfy a want, are called	A. Complimentary goods B. Substitute goods C. Alternative goods D. inferior goods
14	Desire + Purchasing power is equal to:	A. Demand B. Supply C. Income D. Utility
15	Price and demand has a relationship:	A. Negative B. Positive C. Functional D. Both a & D. Both a & Amp; c

16	If price of a commodity remains constant but its supply decreases or price increases but supply remains constant, it is called	A. Rise of supplyB. Extension of supplyC. Fall of supplyD. Contraction of supply
17	In case of rise in demand, demand curve shifts:	A. Right side B. Downward C. Upward D. (a) and (c)
18	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. Which the seller keeps in his possession without selling
19	When price of a commodity decreases but its demand does not change, this situation is called	A. Constant demand B. Fall of demand C. Rise of demand D. Extension of demand
20	Which one is not condition of perfect competition	A. Homogeneity of good B. Difference in price of good C. Large number of buyers and sellers D. Perfect knowledge of market