

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

Sr	Questions	Answers Choice
1	Quantity supplied of a commodity extends because	A. Population changes B. Change occurs in assumptions of law of supply C. Income of the entrepreneur increases <b>D. Price of the commodity increases</b>
2	If demand changes by more than 10% due to 10% change in price, then elasticity of demand is called	A. Equal to unity <b>B. More than unity</b> C. Less than unity D. Infinite
3	Supply means	A. total money of a specific producer B. Number of buyers <b>C. quantity of goods offered for sale at different prices</b> D. purchasing power of quantity supplied
4	If demand and supply both rise in the same proportion, then	A. Equilibrium price decreases <b>B. Equilibrium price does not change</b> C. Equilibrium price increases D. Equilibrium quantity decreases
5	The rate of change in Qd due to change in price is called:	A. Rise in demand B. Income Elasticity of demand <b>C. Price Elasticity of demand</b> D. Cross Elasticity of demand
6	Supply of perishable goods is	A. More elastic B. less elastic <b>C. Perfectly inelastic</b> D. infinite elasticity of supply
7	If percentage change in supply is less than the percentage change in price, then elasticity of supply is called	A. Equal to unity <b>B. Less than unity</b> C. More than unity D. Zero
8	At equilibrium price, demand and supply	A. Increase <b>B. Become equal</b> C. Decrease D. are different
9	Degree of change in quantity supplied due to change in price is called	A. Extension of supply B. Rise of supply <b>C. Elasticity of supply</b> D. None of three
10	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>B. More than unity</b> C. Less than unity D. Infinite
11	If supply does not change, then due to rise of demand	<b>A. Equilibrium price increases</b> B. Equilibrium price decreases C. Equilibrium price does not change D. Equilibrium quantity decreases
12	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 <b>D. Which the seller keeps in his possession without selling</b>
13	If total expenditure of the consumer decreases due to increase in price, then nature of elasticity of demand will be	A. Equal to unity B. Less than unity <b>C. More than unity</b> D. Elasticity of demand = zero
14	If demand does not change, then due to rise of supply	A. Equilibrium price increases <b>B. Equilibrium price decreases</b> C. Equilibrium price does not change D. Equilibrium quantity increases

		D. Equilibrium quantity decreases
15	The cause of shifting of supply curve is	A. Change in price B. Other factors C. change in serving D. change in demand
16	The price at which quantity demanded and supplied are equal	A. Equilibrium price B. Reserve price C. Fixed price D. Variable price
17	With an increase in the price of any good its substitutes will have	A. a fall in its price B. an increase in its prices C. an increase in its demand D. a decrease in its price
18	Price and demand has a relationship:	A. Negative B. Positive C. Functional D. Both a & c
19	If demand decreases by 5% 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
20	Supply curve shifts due to better technique of production	A. Rightward B. Leftward C. Does not change D. Vertical