

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

Sr	Questions	Answers Choice
1	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
2	If demand changes by 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
3	Supply of durable goods is	A. Elastic B. Perfectly elastic C. Perfectly inelastic D. Less elastic
4	Elasticity of demand for the commodities which have substitutes, is	A. More elastic B. Less elastic C. Infinite D. Zero
5	When demand and supply rise equally then equilibrium price	A. isles B. is more C. Remains the source D. Zero
6	If demand is not influenced by the changes in price, elasticity of demand will be	A. Equal to unity B. More than unity C. Less than unity D. Zero
7	If supply curve is horizontal (parallel to x-axis) then elasticity of supply is	A. Zero B. Infinite C. Equal to unity D. More than unity
8	Slope of demand curve of exceptions of law of demand is	A. Negative B. Positive C. Zero D. Fixed
9	Supply curve shifts due to better technique of production	A. Rightward B. Leftward C. Does not change D. Vertical
10	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
11	A slight change in demand and price is called:	A. Point Elasticity of demand B. ArcElasticity of demand C. CrossElasticity of demand D. PriceElasticity of demand
12	Supply of perishable goods is	A. More elastic B. less elastic C. Perfectly inelastic D. infinite elasticity of supply
13	When demand curve shifts rightward (or upward), it is called	A. Rise of demand B. Fall of demand C. Extension of demand D. Contraction of demand
14	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
15	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

16	Slope of demand curve is	A. Negative B. Positive C. zero D. fixed
17	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
18	Unity method to measure elasticity of supply is presented by	A. Adam Smith B. Robbins C. Marshall D. Faruson
19	Degree of change in quantity supplied due to change in price is called	A. Extension of supply B. Rise of supply C. Elasticity of supply D. None of three
20	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