

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

Sr	Questions	Answers Choice
1	The goods which can be used in place of each other, are called	A. Complimentary goods B. Substitute goods C. Alternative goods D. Jointly demanded goods
2	At equilibrium price, demand and supply	A. Increase B. Become equal C. Decrease D. are different
3	Demand for Giffen goods is:	A. Negative B. Vertical C. Positive D. All of them
4	If price of a commodity constant but its supply increases or price decreases but supply remains constant, it is called	A. Rise of supply B. Fall of supply C. Extension of supply D. Contraction of supply
5	A big change in demand and price is called:	A. PointElasticity of demand B. ArcElasticity of demand C. CrossElasticity of demand D. PriceElasticity of demand
6	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
7	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
8	Cause of shifting of demand curve is	A. Change in price B. Desire C. Other factors D. Exceptions
9	The goods which are jointly demanded are called:	A. Substitute goods B. Complimentary goods C. Alternative goods D. None of these
10	Market equilibrium is attained when there exists in the market	A. Perfect competition B. Imperfect competition C. Monopoly D. Large quantity of commodity comes in the market
11	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 C. More than unity D. Elasticity of demand = zero
12	Intersection of demand and supply curve is called	A. Equilibrium of firm B. Equilibrium of demand C. Equilibrium of supply D. Equilibrium point
13	Usually market price is normal price	A. Equal to B. Less than C. More than D. None of these
14	Demand for luxuries goods is:	A. Perfectly elastic B. Less elastic C. Perfectly inelastic D. More elastic
15	Cause of movement along the supply curve is	A. Change in price B. Other factors C. Change in tax

		D. Change in income
6	If due to a very slight decrease in price, demand goes on increasing, elasticity of demand will be	A. More than unity B. Less than unity C. Infinite D. Zero
17	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
18	If quantity demanded for a commodity changes due to the change in income, it is called	A. Price elasticity B. Point elasticity C. Cross elasticity D. Income elasticity
19	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
20	Elasticity of supply if perishable goods is	A. Equal to unity B. More than unity C. Less than unity D. Zero