

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

Sr	Questions	Answers Choice
1	Demand for good like Television and VCR is	A. Less elastic B. More elastic C. Perfectly inelastic D. Infinitely elastic
2	Reserve price of a commodity is that price	A. Which is more than the cost of production of the seller B. At which the seller sells his commodity in the market C. Which is equal to the cost of production of the seller D. Below which the seller is not ready to sell his commodity
3	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
4	Supply curve shifts due to better technique of production	A. Rightward B. Leftward C. Does not change D. Vertical
5	In case of fall in demand, demand curve shifts:	A. Left side B. Right side C. Downward D. Both (a) and (c)
6	If demand curve is parallel to y-axis, then elasticity of demand is	A. Equal to unity B. More than unity C. Less than unity D. Zero
7	Slope of demand curve of exceptions of law of demand is	A. Negative B. Positive C. Zero D. Fixed
8	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
9	Vertical supply curve means	A. Same quantity supplied at differentiated price B. Different quantities supplied at one price C. Different quantities supplied at different prices D. None of three
10	Finance minister in order to increase the public revenue imposes the tax on the commodities whose demand is more elastic	A. At low rate B. At high rate C. Some times decreases the rate and some times increases D. Does not change Tax rate
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	Increasing function of price is	A. Demand B. Supply C. Utility D. Consumption
13	When demand increases due to change in other factors it is known as:	A. Contraction in demand B. Expansion and contraction in demand C. Expansion in demand D. Rise in demand

14	Supply of goods depends on	B. income C. income and price D. utility
15	If total expenditure of the consumer increases 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
16	When demand for a commodity changes due to the change in price of some other commodity, it is called	A. Point elasticity B. Arc elasticity C. income elasticity D. cross elasticity
17	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
18	Finance minister in order to increase the public revenue, imposes tax on the commodities whose demand is less elastic	A. At low rate B. At high rate C. Some times decreases the tax rate and some times increases the tax rate D. Does not change tax rate
19	Slope of demand curve is	A. Negative B. Positive C. zero D. fixed
20	Elasticity of supply if perishable goods is	A. Equal to unity B. More than unity C. Less than unity D. Zero