

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

Sr	Questions	Answers Choice
1	Quantity of a commodity offered for sale in a market at a certain price during a given period of time, is called	A. Stock B. Demand C. Supply D. Quantity demanded
2	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
3	Unity method to measure elasticity of demand was presented by	A. Adam smith B. Robbins C. Marshall D. Keynes
4	Cause of positive slope of supply curve	A. Change in cost of production B. Fear of increase in cost of production and decrease in profit C. Change in technique of production D. Increase in per unit profit due to increase in price
5	A textile mill produces 2000 meters cloth. Entrepreneur offers 1500 meters cloth to sell at price Rs 100 per meter and 500 meters cloth keeps with him. Cloth kept by the entrepreneur is called	A. Total production B. Supply C. Stock D. Surplus production
6	Supply of goods depends on	A. price B. income C. income and price D. utility
7	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
8	Shape of market supply curve is	A. Horizontal or parallel to ox curve B. Vertical or parallel to oy curve C. Positively sloping D. Negatively sloping
9	In order to satisfy some wants, more than one commodities are needed. Demand for such commodities is called	A. Joint demand B. Composite demand C. Derived demand D. Direct demand
10	Supply of perishable goods is	A. More elastic B. less elastic C. Perfectly inelastic D. infinite elasticity of supply
11	The rate of change in Qd due to change in price is called:	A. Rise in demand B. Income Elasticity of demand C. Price Elasticity of demand D. Cross Elasticity of demand
12	Supply of durable goods is	A. Elastic B. Perfectly elastic C. Perfectly inelastic D. Less elastic
13	Second name of unitary method is	A. Method of total satisfication B. total expenditure method C. total revenue method D. Both 2nd and 3rd
14	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
		A. Zero

15	If two goods are substitute, cross Elasticity of demand will be:	B. Infinite C. Positive D. Negative
16	The equilibrium of the market is that demand and supply to each other are	A. opposite B. positive C. equal D. negative
17	If demand decreases by 10% 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
18	If the ratio of change in demand is less than the ratio of change in price, elasticity of demand will be	A. More than unity B. Less than unity C. Equal to unity D. Zero
19	Relationship between price of a commodity and demand for it exists	A. Positive B. Inverse C. Indirect D. None of these
20	If demand did not influence by the charge in price, that is called:	A. Elasticity of demand = 1 B. Elasticity of demand < 1 C. Elasticity of demand > 1 D. Elasticity of demand = 0