

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

| Sr | Questions | Answers Choice |
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| 1 | If supply goes on increasing due to a slight increase in price, then elasticity of supply is called | A. Zero B. Infinite C. Equal to unity D. More than unity |
| 2 | Kinds of supply according to period of time are | A. Two B. Three C. Four D. Five |
| 3 | Under certain conditions, slope of demand curve is | A. Negative B. Positive C. Zero D. Fixed |
| 4 | Intersection of demand and supply curve is called | A. Equilibrium of firm B. Equilibrium of demand C. Equilibrium of supply D. Equilibrium point |
| 5 | The cause of extension and contraction of demand is | A. Income B. Price C. Population D. Technology |
| 6 | The demand curve slopes | A. upwards B. Horizontal C. vertical D. downward to the right |
| 7 | If demand and supply both rise in the same proportion, then | A. Equilibrium price decreases B. Equilibrium price does not change C. Equilibrium price increases D. Equilibrium quantity decreases |
| 8 | When the price of a commodity increases but its demand does not change, this situation is called | A. Constant demand B. Fall of demand C. Rise of demand D. Contraction of demand |
| 9 | Quantity of a commodity which the consumers are ready to purchase at a particular price, is called | A. Demand B. Supply C. Stock D. Demand and supply |
| 10 | At equilibrium price, demand and supply | A. Increase B. Become equal C. Decrease D. are different |
| 11 | If the ratio of change in demand is equal to the ratio of change in price, elasticity of demand will be | A. More than unity B. Less than unity C. Equal to unity D. Infinite |
| 12 | Another name of unitary method is | A. Total satisfaction method B. Total expenditure method C. Total revenue method D. Both 2nd and 3rd |
| 13 | 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 |
| 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 | When demand and supply rise equally then equilibrium price | A. isles B. is more C. Remains the source D. Zero |

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| 16 | 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 |
| 17 | If supply of a commodity changes by less than 10% due to a 10% change in its price, then elasticity of supply will be | A. Equal to unity B. More than unity C. Less than unity D. Zero |
| 18 | If 50% change in demand in response of 50% change in price then: | A. Elasticity of demand = 1 B. Elasticity of demand $<$ 1 C. Elasticity of demand $>$ 1 D. Elasticity of demand = 0 |
| 19 | The goods which are jointly demanded to satisfy a want, are called | A. Complimentary goods B. Substitute goods C. Alternative goods D. inferior goods |
| 20 | Supply of perishable goods is | A. More elastic B. less elastic C. Perfectly inelastic D. infinite elasticity of supply |