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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	When there is big change in demand and price of a commodity, it is called	A. Point elasticity B. Arc elasticity C. Cross elasticity D. Income elasticity
3	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
4	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
5	If there is slight change in price and demand, it is called	A. Arc elasticity B. Point elasticity C. Income elasticity D. Cross elasticity
6	Price is determined under perfect competition	A. By sellers B. By buyers C. By government D. By forces of demand and supply
7	Who did present formula to measure Arc elasticity of demand	A. Adam Smith B. Marshall C. Allen D. Keynes
8	Unity method to measure elasticity of demand was presented by	A. Adam smith B. Robbins C. Marshall D. Keynes
9	Relationship between price and quantity demanded is called	A. Demand schedule B. Demand curve C. Law of demand D. Assumptions of law of demand
10	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 tn 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
11	The cause of shifting of supply curve is	A. Change in price B. Other factors C. change in serving D. change in demand
12	When there is a very small change in demand and price of a commodity, it is called	A. Point elasticity B. Arc elasticity C. Cross elasticity D. Income elasticity
13	Usually market price is ____________ normal price	A. Equal to B. Less than C. More than D. None of these
14	If the demand for a commodity is more elastic, then an entrepreneur in order to increase his profit	A. Will increase its price B. Will decrease its price C. Will not change its price D. None of these

15	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
16	When price of a commodity decreases but its demand does not change, this situation is called	A. Constant demand B. Fall of demand C. Rise of demand D. Extension of demand
17	Price and demand has a relationship:	A. Negative B. Positive C. Functional D. Both a & c
18	The supply curve of Fish is	A. More elastic B. Less elastic C. Inelastic D. Infinite elastic
19	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
20	Rise of supply can be shown with the help of	A. A supply curve B. More than one supply curves C. Fixed supply curve D. Vertical supply curve