

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

Sr	Questions	Answers Choice
1	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
2	If supply of a commodity changes by more than 10% due to 10% change in its price, then elasticity of supply will be	A. Equal to unity B. More than unity C. Less than unity D. Infinite
3	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
4	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
5	Relationship between price and quantity demanded is called	A. Demand schedule B. Demand curve C. Law of demand D. Assumptions of law of demand
6	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
7	According to law of supply which factor changes the supply	A. cost of producton B. price C. climatic conditions D. level of income
8	Who does determine the reserve price	A. Buyer B. Seller C. Government D. District administration
9	According to the law of supply, there is relation in price and supply	A. Inverse B. Increasing C. Negative D. indirect
10	If demand changes by more than 10% due to 10% change in price, then elasticity of demand is called	A. Equal to unity B. More than unity C. Less than unity D. Infinite
11	Price is determined under perfect competition	A. By sellers B. By buyers C. By government D. By forces of demand and supply
12	Unity method to measure elasticity of demand was presented by	A. Adam smith B. Robbins C. Marshall D. Keynes
13	Supply of goods depends upon	A. Price B. Income C. Price and income D. Utility
14	Quickly destroyable goods are called	A. Superior goods B. Inferior goods C. Perishable goods D. Giffen godds
		A. Equal to unity

15	If demand decreases by 10% due to 10% increase in Price, then elasticity of demand is	B. More than unity C. Less than unity D. Zero
16	Demand for basic necessities of life is:	A. Perfectly elastic B. Less elastic C. Perfectly inelastic D. More elastic
17	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
18	If demand does not change, despite a fall in price, is called	A. Fall of demand B. Rise of demand C. Contraction of demand D. Extension of demand
19	Cause of movement along the supply curve is	A. Change in price B. Other factors C. Change in tax D. Change in income
20	If supply does not change, then due to rise of demand	A. Equilibrium price increases B. Equilibrium price decreases C. Equilibrium price does not change D. Equilibrium quantity decreases