

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

| Sr | Questions | Answers Choice |
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| 1 | When demand curve shifts leftward (or downward), it is called | A. Rise of demand B. Fall of demand C. Extension of demand D. Contraction of demand |
| 2 | When there are small and minor changes in price and demand then | A. Price elasticity B. Income elasticity C. Cross elasticity D. Point elasticity |
| 3 | The equilibrium of the market is that demand and supply to each other are | A. opposite B. positive C. equal D. negative |
| 4 | Kinds of supply according to period of time are | A. Two B. Three C. Four D. Five |
| 5 | Slope of demand curve of exceptions of law of demand is | A. Negative B. Positive C. Zero D. Fixed |
| 6 | What is meant by demand for a commodity in economics | A. To desire for a commodity B. To have power to buy C. To have power to buy a commodity with desire D. Quantity of a commodity |
| 7 | 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 |
| 8 | If demand and supply both fall in the same proportion | A. Equilibrium price increases B. Equilibrium price decreases C. Equilibrium price does not change D. Equilibrium quantity increases |
| 9 | The duty of a market is not to | A. make exchange of goods B. contact buyers and sellers C. determine price D. give maximum output |
| 10 | 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 |
| 11 | Supply of goods depends on | A. price B. income C. income and price D. utility |
| 12 | Elasticity of supply is the name of | A. Change in price B. Change in income C. Feature of change in supply D. Change in price and income |
| 13 | Due to rise in demand, demand curve shifts to | A. Right B. Left C. Both sides D. None of these |
| 14 | If quantity demanded for a commodity changes due to the change in income, it is called | A. Price elasticity B. Point elasticity C. Cross elasticity D. Income elasticity |
| 15 | 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. None of these |

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| | | D. Infinite |
| 16 | According to the law of supply, there is relation in price and supply | A. Inverse B. Increasing C. Negative D. indirect |
| 17 | If quantity demand changes due to the change in income, it is called: | A. Point Elasticity of demand B. Arc Elasticity of demand C. Income Elasticity of demand D. Price Elasticity of demand |
| 18 | The cause of shifting of supply curve is | A. Change in price B. Other factors C. change in serving D. change in demand |
| 19 | Price is determined under perfect competition | A. By sellers B. By buyers C. By government D. By forces of demand and supply |
| 20 | If demand changes by 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 |