

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

Sr	Questions	Answers Choice
1	Price of perishable goods is determined	A. In the market period B. In the short period C. In the middle period D. In the long period
2	If demand falls more proportionately than that of supply then	A. Equilibrium price increases B. Equilibrium price decreases C. Equilibrium price does not change D. Equilibrium quantity increases
3	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
4	Which one of the following is not included in the assumptions of law of supply	A. taste of consumer B. cost of production C. Methods of production D. price of raw material
5	Who does determine the reserve price	A. Buyer B. Seller C. Government D. District administration
6	If price of a commodity constant but its supply increases or price decreases but supply remains constant, it is called	A. Rise of supply B. Fall of supply C. Extension of supply D. Contraction of supply
7	In case of rise in demand, demand curve shifts:	A. Right side B. Downward C. Upward D. (a) and (c)
8	Kinds of supply according to period of time are	A. Two B. Three C. Four D. Five
9	If two goods are complimentary, cross Elasticity of demand will be:	A. Zero B. Infinite C. Positive D. Negative
10	If supply does not change despite a change in price, then elasticity of supply is called	A. Equal to unity B. Less than unity C. More than unity D. Zero
11	Some inferior goods having expensive substitutes are known as:	A. Economic goods B. Giffen goods C. Non-economic goods D. Free goods
12	By increasing the cost of production, the supply	A. Extends B. contracts C. Falls D. Rises
13	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
14	If the percentage change in supply is more than the percentage change in price, then elasticity of supply is called	A. Equal to unity B. Less than unity C. More than unity D. Infinite
15	Supply curve moves from left to right upward, this tendency is called	A. Negative B. Positive C. Horizontal D. Vertical

16	Formula method to measure elasticity of supply is related to	A. Marshall B. Robbins C. R.G.D Allen D. Flux
17	Relationship between price of a commodity and demand for it exists	A. Positive B. Inverse C. Indirect D. None of these
18	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
19	The goods on which law of demand does not apply, are called	A. Services B. Goods and services C. Giffin goods D. Capital goods
20	If demand rises more proportionately than that of supply, then	A. Equilibrium price increases B. Equilibrium price decreases C. Equilibrium price does not change D. Equilibrium quantity decreases