

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

Sr	Questions	Answers Choice
1	In order to satisfy some wants, more than one commodities are needed. Demand for such commodities is called	A. Joint demand B. Composite demand C. Derived demand D. Direct demand
2	Relationship between price and quantity demanded is called	A. Demand schedule B. Demand curve C. Law of demand D. Assumptions of law of demand
3	Another name of unitary method is	A. Total satisfaction method B. Total expenditure method C. Total revenue method D. Both 2nd and 3rd
4	If total expenditure of the consumer increases due to decrease in price, then nature of elasticity of demand will be	A. Equal to unity B. Less than unity C. More than unity D. Elasticity of demand = zero
5	Finance minister imposes tax on the goods having more elastic demand	A. At low rate B. At high rate C. At the same rate D. At zero rate
6	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
7	The demand curve slopes	A. upwards B. Horizontal C. vertical D. downward to the right
8	If demand curve is parallel to y-axis, then elasticity of demand is	A. Equal to unity B. More than unity C. Less than unity D. Zero
9	If demand for a commodity changes due to change in price of its substitute, it is called	A. Price elasticity B. Point elasticity C. Cross elasticity D. Arc elasticity
10	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
11	Equilibrium means	A. the condition that is not possible B. an unstable condition C. a condition that can change D. stable position
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	In case of rise in demand, demand curve shifts:	A. Right side B. Downward C. Upward D. (a) and (c)
14	Demand for the goods which have different uses, is	A. More elastic B. Less elastic C. Infinity D. Zero elastic
15	Elasticity of supply if perishable goods is	A. Equal to unity B. More than unity C. Less than unity D. Zero

16	Price is determined under perfect competition	A. By sellers B. By buyers C. By government D. By forces of demand and supply
17	Income elasticity of demand is concerned with	A. Income and consumption of wealth B. Income and demand for good C. Price and income of the consumer D. Price and demand for good
18	The supply curve of Fish is	A. More elastic B. Less elastic C. Inelastic D. Infinite elastic
19	Quantity supplied of a commodity extends because	A. Population changes B. Change occurs in assumptions of law of supply C. Income of the entrepreneur increases D. Price of the commodity increases
20	Which one is increasing function of price	A. Demand B. Supply C. Utility D. Consumption