

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

Sr	Questions	Answers Choice
1	Vertical supply curve means	<p>A. Same quantity supplied at differentiated price</p> <p>B. Different quantities supplied at one price</p> <p>C. Different quantities supplied at different prices</p> <p>D. None of three</p>
2	In case of perfectly elastic supply or infinite elasticity of supply, supply curve is	<p>A. Horizontal (parallel to x-axis)</p> <p>B. Vertical (parallel to y-axis)</p> <p>C. Positive sloped</p> <p>D. Negative sloped</p>
3	Demand for basic necessities of life is:	<p>A. Perfectly elastic</p> <p>B. Less elastic</p> <p>C. Perfectly inelastic</p> <p>D. More elastic</p>
4	If demand does not change, then due to rise of supply	<p>A. Equilibrium price increases</p> <p>B. Equilibrium price decreases</p> <p>C. Equilibrium price does not change</p> <p>D. Equilibrium quantity decreases</p>
5	Demand for luxuries goods is:	<p>A. Perfectly elastic</p> <p>B. Less elastic</p> <p>C. Perfectly inelastic</p> <p>D. More elastic</p>
6	Non elastic demand curve is	<p>A. positive</p> <p>B. negative</p> <p>C. vertical</p> <p>D. horizontal</p>
7	If supply of a commodity changes by more than 10% due to 10% change in its price, then elasticity of supply will be	<p>A. Equal to unity</p> <p>B. More than unity</p> <p>C. Less than unity</p> <p>D. Infinite</p>
8	The price at which quantity demanded and supplied are equal	<p>A. Equilibrium price</p> <p>B. Reserve price</p> <p>C. Fixed price</p> <p>D. Variable price</p>
9	Relationship between price and quantity demanded is called	<p>A. Demand schedule</p> <p>B. Demand curve</p> <p>C. Law of demand</p> <p>D. Assumptions of law of demand</p>
10	When demand curve shifts rightward (or upward), it is called	<p>A. Rise of demand</p> <p>B. Fall of demand</p> <p>C. Extension of demand</p> <p>D. Contraction of demand</p>
11	The term demand in economics means:	<p>A. Desire</p> <p>B. Purchasing</p> <p>C. Need</p> <p>D. Both (a) and (b)</p>
12	Kinds of supply according to period of time are	<p>A. Two</p> <p>B. Three</p> <p>C. Four</p> <p>D. Five</p>
13	If two goods are complimentary, cross Elasticity of demand will be:	<p>A. Zero</p> <p>B. Infinite</p> <p>C. Positive</p> <p>D. Negative</p>
14	Increasing function of price is	<p>A. Demand</p> <p>B. Supply</p> <p>C. Utility</p> <p>D. Cosnsumption</p>
		A. Infinite

15	If demand curve is parallel to x-axis, then elasticity of demand is	B. Zero C. Equal to unity D. More than unity
16	If percentage change in supply is less 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. Zero
17	Which one is not condition of perfect competition	A. Homogeneity of good B. Difference in price of good C. Large number of buyers and sellers D. Perfect knowledge of market
18	The price at which entrepreneur has a sufficient time to meet the demand, is called	A. Market price B. Normal price C. Reserve price D. Normal price
19	Quantity of a commodity which a person is ready to purchase at a particular price, is called	A. Individual demand B. Market demand C. Supply D. Market Supply
20	Supply of goods depends on	A. price B. income C. income and price D. utility