

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

Sr	Questions	Answers Choice
1	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
2	Supply of durable goods is	A. Elastic B. Perfectly elastic C. Perfectly inelastic D. Less elastic
3	Supply of perishable goods is	A. More elastic     B. less elastic     C. Perfectly inelastic     D. infinite elasticity of supply
4	Cause of shifting of supply curve is	A. Change in price B. Other factors C. Change in tax D. Change in income
5	Which combination of the following is of joint demand	A. Tea and coffee B. Petrol and car C. Meat and grocery D. Inkpot and book
6	When the price of a commodity increases but its demand does not change, this situation is called	A. Constant demand B. Fall of demand C. Rise of demand D. Contraction of demand
7	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
8	If supply of a commodity changes by 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. Zero
9	When supply curve shifts rightward or down it is called	A. Rise of supply B. Fall of supply C. Extension of supply D. Contraction of supply
10	If two goods are substitute, cross Elasticity of demand will be:	A. Zero B. Infinite C. Positive D. Negative
11	In case of fall in demand, demand curve shifts:	A. Left side B. Right side C. Downward D. Both (a) and (c)
12	Market equilibrium is attained when there exists in the market	A. Perfect competition B. Imperfect competition C. Monopoly D. Large quantity of commodity comes in the market
13	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
14	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
15	Relationship between price of a commodity and demand for it exists	A. Positive B. Inverse C. Indirect

		D. None of these
16	If the demand for a commodity is less elastic, then an entrepreneur in order to increase his profit	A. Will increase its price B. Will decrease its price C. Will not change its price D. None of these
17	If total expenditure of the consumer decreases due to increase 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
18	If supply goes on increasing due to a slight increase in price, then elasticity of supply is called	A. Zero B. Infinite C. Equal to unity D. More than unity
19	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
20	Equilibrium means	A. the condition that is not possibl B. an unstable condition C. a condition that can change D. stable position