

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

| Sr | Questions  | Answers Choice   |
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| 1  | At equilibrium price, demand and supply  | A. Increase<br>B. Become equal<br>C. Decrease<br>D. are different  |
| 2  | Who did present unity method to measure elasticity of demand   | A. Adam Smith<br>B. Marshall<br>C. Robbins<br>D. keynes  |
| 3  | Market equilibrium is determined when  | A. Demand = supply<br>B. Demand > supply<br>C. Demand < supply<br>D. Demand = zero                             |
| 4  | If demand decreases by 10% due to 10% increase in Price, then elasticity of demand is                            | A. Equal to unity<br>B. More than unity<br>C. Less than unity<br>D. Zero                                       |
| 5  | Elasticity of demand for the commodities which have substitutes, is  | A. More elastic<br>B. Less elastic<br>C. Infinite<br>D. Zero   |
| 6  | When there is big change in demand and price of a commodity, it is called  | A. Point elasticity<br>B. Arc elasticity<br>C. Cross elasticity<br>D. Income elasticity                        |
| 7  | If percentage change in supply is less than the percentage change in price, then elasticity of supply is called  | A. Equal to unity<br>B. Less than unity<br>C. More than unity<br>D. Zero                                       |
| 8  | If quantity demanded for a commodity changes due to the change in income, it is called                           | A. Price elasticity<br>B. Point elasticity<br>C. Cross elasticity<br>D. Income elasticity                      |
| 9  | Increasing function of price is  | A. Demand<br>B. Supply<br>C. Utility<br>D. Consumption   |
| 10 | Quantity of a commodity offered for sale in a market at a certain price during a given period of time, is called | A. Stock<br>B. Demand<br>C. Supply<br>D. Quantity demanded   |
| 11 | The cause of rise and fall of demand is  | A. income<br>B. price<br>C. population<br>D. Both 1st and 3rd  |
| 12 | Supply curve moves from left to right upward, this tendency is called  | A. Negative<br>B. Positive<br>C. Horizontal<br>D. Vertical   |
| 13 | When supply changes due to other factors besides price, it is called   | A. Rise of supply<br>B. Fall of supply<br>C. Rise and fall of supply<br>D. Extension and contraction of supply |
| 14 | In which direction demand and supply curves move   | A. Same<br>B. Opposite<br>C. parallel<br>D. Horizontal   |
| 15 | If due to a very slight decrease in price, demand goes on increasing, elasticity of demand will be               | A. More than unity<br>B. Less than unity<br>C. Infinite<br>D. Zero   |

D. Zero

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| 16 | If the demand for a commodity is more elastic, then an entrepreneur in order to increase his profit | A. Will increase its price<br>B. Will decrease its price<br>C. Will not change its price<br>D. None of these |
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| 17 | Supply of perishable goods is | A. More elastic<br>B. less elastic<br>C. Perfectly inelastic<br>D. infinite elasticity of supply |
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| 18 | Due to rise in demand, demand curve shifts to | A. Right<br>B. Left<br>C. Both sides<br>D. None of these |
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| 19 | The supply curve of Fish is | A. More elastic<br>B. Less elastic<br>C. Inelastic<br>D. Infinite elastic |
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| 20 | Desire + Purchasing power is equal to: | A. Demand<br>B. Supply<br>C. Income<br>D. Utility |
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