

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

Sr	Questions	Answers Choice
1	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
2	If supply rises more proportionately than that of demand, then	A. Equilibrium price increases B. Equilibrium price decreases C. Equilibrium price does not change D. Equilibrium quantity decreases
3	If elasticity of supply is equal to unity then extending supply curve downward, it passes through or crosses	A. y-axis B. x-axis C. Point of origin D. Becomes vertical
4	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
5	If demand does not change, then due to rise of supply	A. Equilibrium price increases B. Equilibrium price decreases C. Equilibrium price does not change D. Equilibrium quantity decreases
6	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
7	One of the following is not substitute good:	A. Mobile and charger B. Petrol and CNG C. Burger and Shawarma D. Both b & c
8	A slight change in demand and price is called:	A. Point Elasticity of demand B. Arc Elasticity of demand C. Cross Elasticity of demand D. Price Elasticity of demand
9	Stock means the quantity of a commodity	A. Which is offered for sale in the market B. Which is sold in the market C. Total production is called stock D. Which the seller keeps in his possession without selling
10	If price of a commodity remains constant but its supply decreases or price increases but supply remains constant, it is called	A. Rise of supply B. Extension of supply C. Fall of supply D. Contraction of supply
11	Market equilibrium is determined when	A. Demand = supply B. Demand > supply C. Demand < supply D. Demand = zero
12	Supply of goods depends upon	A. Price B. Income C. Price and income D. Utility
13	According to law of supply, supply curve moves from left to right upward, this tendency is called	A. Positive B. Negative C. Horizontal D. Vertical
14	If demand falls more proportionately then that of supply then	A. Equilibrium price increases B. Equilibrium price decreases C. Equilibrium price does not change D. Equilibrium quantity increases
15	The cause of shifting of supply curve is	A. Change in price B. Other factors C. change in serving

		D. change in demand
16	If the total expenditure of the consumer decreases 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
17	Shape of market supply curve is	A. Horizontal or parallel to ox curve B. Vertical or parallel to oy curve C. Positively sloping D. Negatively sloping
18	If supply decreases due to decrease in price, it is called	A. Extension of supply B. Contraction of supply C. Rise of supply D. Fall of supply
19	The demand curve slopes	A. upwards B. Horizontal C. vertical D. downward to the right
20	Demand for the commodities having different uses	A. Less elastic B. More elastic C. Perfectly inelastic D. Infinitely elastic