

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

| Sr | Questions | Answers Choice |
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| 1 | If supply curve is vertical (parallel to y-axis), then elasticity of supply is | A. Zero B. Infinite C. Equal to unity D. More than unity |
| 2 | The price at which quantity demanded and supplied are equal | A. Equilibrium price B. Reserve price C. Fixed price D. Variable price |
| 3 | Slope of demand curve of exceptions of law of demand is | A. Negative B. Positive C. Zero D. Fixed |
| 4 | Usually market price is _____ normal price | A. Equal to B. Less than C. More than D. None of these |
| 5 | Second name of unitary method is | A. Method of total satisfaction B. total expenditure method C. total revenue method D. Both 2nd and 3rd |
| 6 | The demand curve slopes | A. upwards B. Horizontal C. vertical D. downward to the right |
| 7 | If demand decreases by 5% due to 10% increase in Price, then elasticity of demand is | A. Equal to unity B. More than unity C. Less than unity D. Zero |
| 8 | The equilibrium of the market is that demand and supply to each other are | A. opposite B. positive C. equal D. negative |
| 9 | If the ratio of change in demand is equal to the ratio of change in price, elasticity of demand will be | A. More than unity B. Less than unity C. Equal to unity D. Infinite |
| 10 | 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 |
| 11 | When demand for a commodity changes due to the change in price of some other commodity, it is called | A. Point elasticity B. Arc elasticity C. income elasticity D. cross elasticity |
| 12 | 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 |
| 13 | Market price will be determined where | A. Supply is more than demand B. Demand is more than supply C. Demand and supply are equal D. Demand is less elastic and supply is more elastic |
| 14 | Demand for a commodity means | A. Desire to purchase B. Power to purchase C. Price of commodity D. All the three |
| 15 | If supply is fixed then due to fall of demand | A. Equilibrium price decreases B. Equilibrium quantity increases C. Equilibrium price increases D. Equilibrium quantity decreases |

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| | | D. Equilibrium price does not change |
| 16 | Another name of unitary method is | A. Total satisfaction method B. Total expenditure method C. Total revenue method D. Both 2nd and 3rd |
| 17 | The term demand in economics means: | A. Desire B. Purchasing C. Need D. Both (a) and (b) |
| 18 | Measurement of arc elasticity of demand was present: | A. Keynes B. Marshall C. Adam smith D. R.G.D Allen |
| 19 | When demand and supply rise equally then equilibrium price | A. isles B. is more C. Remains the source D. Zero |
| 20 | If demand decreases by 15% due to 10% increase in Price, then elasticity of demand is | A. Equal to unity B. More than unity C. Less than unity D. Zero |