

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

Sr	Questions	Answers Choice
1	Usually market price is _____ normal price	A. Equal to B. Less than C. More than D. None of these
2	Demand for a commodity means	A. Desire to purchase B. Power to purchase C. Price of commodity D. All the three
3	If demand is not influenced by the changes in price, elasticity of demand will be	A. Equal to unity B. More than unity C. Less than unity D. Zero
4	When there are small and minor changes in price and demand then	A. Price elasticity B. Income elasticity C. Cross elasticity D. Point elasticity
5	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
6	Desire + Purchasing power is equal to:	A. Demand B. Supply C. Income D. Utility
7	If demand curve is parallel to x-axis, then elasticity of demand is	A. Infinite B. Zero C. Equal to unity D. More than unity
8	What functional relationship is present between demand and price	A. positive B. inverse C. increasing D. none of these
9	Supply of goods depends on	A. price B. income C. income and price D. utility
10	Elasticity of demand for durable goods is	A. More elastic B. Less elastic C. Infinte D. Zero
11	If the total expenditure of the consumer increases 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
12	Supply of goods depends upon	A. Price B. Income C. Price and income D. Utility
13	Unity method to measure elasticity of supply is presented by	A. Adam Smith B. Robbins C. Marshall D. Faruson
14	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
15	Exceptions, or limitations of law of demand have been stated by	A. Professor Marshall B. Professor Adam Smith C. Professor Benham D. Professor Robbins

16	The cause of shifting of supply curve is	A. Change in price B. Other factors C. change in serving D. change in demand
17	Regarding time element, the normal price has types	A. One B. Two C. Three D. Four
18	If the ratio of change in demand is less than the ratio of change in price, elasticity of demand will be	A. More than unity B. Less than unity C. Equal to unity D. Zero
19	If supply of a commodity changes by less than 10% due to a 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
20	When price of a commodity decreases but its demand does not change, this situation is called	A. Constant demand B. Fall of demand C. Rise of demand D. Extension of demand