

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

Sr	Questions	Answers Choice
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 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 same**
  - 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