

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

Sr	Questions	Answers Choice
1	Which one of the following is not included in the assumptions of law of supply	A. taste of consumer B. cost of production C. Methods of production D. price of raw material
2	Price determined with the equilibrium of demand and supply on some day	A. Short period price B. Long period price C. Market price D. Normal price
3	The supply curve of Fish is	A. More elastic B. Less elastic C. Inelastic D. Infinite elastic
4	Finance minister in order to increase the public revenue imposes the tax on the commodities whose demand is more elastic	A. At low rate B. At high rate C. Some times decreases the rate and some times increases D. Does not change Tax rate
5	Supply of perishable goods e.g. groceries, fruit, meat etc is	A. Less elastic B. More elastic C. Perfectly inelastic D. Perfectly elastic
6	According to law of supply which factor changes the supply	A. cost of production B. price C. climatic conditions D. level of income
7	A textile mill produces 2000 meters cloth. Entrepreneur offers 1500 meters cloth to sell at price Rs 100 per meter and 500 meters cloth keeps with him. Cloth kept by the entrepreneur is called	A. Total production B. Supply C. Stock D. Surplus production
8	A big change in demand and price is called:	A. PointElasticity of demand B. ArcElasticity of demand C. CrossElasticity of demand D. PriceElasticity of demand
9	If supply does not change, then due to fall of demand	A. Equilibrium price decreases B. Equilibrium price increases C. Equilibrium price does not change D. Equilibrium quantity increases
10	Demand for the goods which have different uses, is	A. More elastic B. Less elastic C. Infinity D. Zero elastic
11	Unitary method is also known as:	A. Total revenue B. Total satisfaction C. Total utility D. Total expenditure
12	If demand changes by 10% due to 10% change in price, then elasticity of demand is called	A. Equal to unity B. More than unity C. Less than unity D. Infinite
13	The demand curve slopes	A. upwards B. Horizontal C. vertical D. downward to the right
14	When demand increases due to change in other factors it is known as:	A. Contraction in demand B. Expansion and contraction in demand C. Expansion in demand D. Rise in demand
15	Equilibrium means	A. the condition that is not possible B. an unstable condition

		C. a condition that can change D. stable position
16	Cause of shifting of supply curve is	A. Change in price B. Other factors C. Change in tax D. Change in income
17	When demand curve shifts leftward (or downward), it is called	A. Rise of demand B. Fall of demand C. Extension of demand D. Contraction of demand
18	If total expenditure of the consumer increases 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
19	If demand rises more proportionately than that of supply, then	A. Equilibrium price increases B. Equilibrium price decreases C. Equilibrium price does not change D. Equilibrium quantity decreases
20	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