

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

Sr	Questions	Answers Choice
1	Demand for the goods which have different uses, is	A. More elastic B. Less elastic C. Infinity D. Zero elastic
2	According to law of demand, curve moves from left to right downward. This type of tendency is called	A. Positive tendency B. Negative tendency C. Extension and contraction of demand D. Rise and fall of demand
3	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
4	In which direction demand and supply curves move	A. Same B. Opposite C. parallel D. Horizontal
5	If quantity demand changes due to the change in income, it is called:	A. Point Elasticity of demand B. Arc Elasticity of demand C. Income Elasticity of demand D. Price Elasticity of demand
6	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
7	If supply does not change despite a change in price, then elasticity of supply is called	A. Equal to unity B. Less than unity C. More than unity D. Zero
8	Demand for the commodities whose use can be postponed is	A. Less elastic B. More elastic C. Perfectly inelastic D. infinitely elastic
9	If same amount of good is supplied at higher price, it is called	A. Expansion of supply B. Contraction of supply C. Fall in supply D. Rise in supply
10	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
11	If demand decreases by 10% 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
12	If percentage change in supply is less 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. Zero
13	Cause of positive slope of supply curve	A. Change in cost of production B. Fear of increase in cost of production and decrease in profit C. Change in technique of production D. Increase in per unit profit due to increase in price
14	Relationship between price of a commodity and demand for it exists	A. Positive B. Inverse C. Indirect D. None of these

15	The term demand in economics means:	A. Desire B. Purchasing C. Need D. Both (a) and (b)
16	Regarding time element, the normal price has types	A. One B. Two C. Three D. Four
17	When supply curve shifts leftwards or up, it is called	A. Rise of supply B. Fall of supply C. Extension of supply D. Contraction of supply
18	Unity method to measure elasticity of supply is presented by	A. Adam Smith B. Robbins C. Marshall D. Faruson
19	Price is determined under perfect competition	A. By sellers B. By buyers C. By government D. By forces of demand and supply
20	When supply changes due to other factors besides price, it is called	A. Rise of supply B. Fall of supply C. Rise and fall of supply D. Extension and contraction of supply