

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

Sr	Questions	Answers Choice
1	Market equilibrium is attained when there exists in the market	A. Perfect competition B. Imperfect competition C. Monopoly D. Large quantity of commodity comes in the market
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 did not influence by the charge in price, that is called:	A. Elasticity of demand = 1 B. Elasticity of demand < 1 C. Elasticity of demand > 1 D. Elasticity of demand = 0
4	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
5	Demand for good like Television and VCR is	A. Less elastic     B. More elastic     C. Perfectly inelastic     D. Infinitely elastic
6	What functional relationship is present between demand and price	A. positive B. inverse C. increasing D. none of these
7	If demand does not change, then due to fall of supply	A. Equilibrium price increases     B. Equilibrium price decreases     C. Equilibrium quantity increases
8	Which one is not condition of perfect competition	A. Homogeneity of good B. Difference in price of good C. Large number of buyers and sellers D. Perfect knowledge of market
9	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
10	Price is determined under perfect competition	A. By sellers B. By buyers C. By government D. By forces of demand and supply
11	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
12	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
13	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
14	Demand for luxuries in	A. Les elastic B. More elastic C. Perfectly elastic D. Perfectly inelastic
15	Supply curve moves from left to right upward, this tendency is called	A. Negative B. Positive C. Horizontal

		D. Vertical
16	Supply of perishable goods is	A. More elastic     B. less elastic     C. Perfectly inelastic     D. infinite elasticity of supply
17	Supply curve shifts due to better technique of production	A. Rightward B. Leftward C. Does not change D. Vertical
18	Shape of market supply curve is	A. Horizontal or parallel to ox curve B. Vertical or parallel to oy curve C. Positively sloping D. Negatively sloping
19	The price at which entrepreneur has a sufficient time to meet the demand, is called	A. Market price B. Normal price C. Reserve price D. Normal price
20	When there is a very small change in demand and price of a commodity, it is called	A. Point elasticity B. Arc elasticity C. Cross elasticity D. Income elasticity