

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

| Sr | Questions | Answers Choice |
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| 1 | Quantity of a commodity which the consumers are ready to purchase at a particular price, is called | A. Demand B. Supply C. Stock D. Demand and supply |
| 2 | 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 |
| 3 | 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 |
| 4 | Income elasticity of demand is concerned with | A. Income and consumption of wealth B. Income and demand for good C. Price and income of the consumer D. Price and demand for good |
| 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 | 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 |
| 7 | 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 |
| 8 | The goods which are jointly demanded to satisfy a want, are called | A. Complimentary goods B. Substitute goods C. Alternative goods D. inferior goods |
| 9 | According to law of supply which factor changes the supply | A. cost of producton B. price C. climatic conditions D. level of income |
| 10 | If the percentage change in supply is more 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. Infinite |
| 11 | Kinds of supply according to period of time are | A. Two B. Three C. Four D. Five |
| 12 | If demand for a commodity changes due to change in price of its substitute, it is called | A. Price elasticity B. Point elasticity C. Cross elasticity D. Arc elasticity |
| 13 | Rise of supply can be shown with the help of | A. A supply curve B. More than one supply curves C. Fixed supply curve D. Vertical supply curve |
| 14 | 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 |
| 15 | Cause of shifting of supply curve is | A. Change in price B. Other factors |

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| | | C. Change in tax D. Change in income |
| 16 | Degree of change in quantity supplied due to change in price is called | A. Extension of supply B. Rise of supply C. Elasticity of supply D. None of three |
| 17 | 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 |
| 18 | If 50% change in demand in response of 50% change in price then: | A. Elasticity of demand = 1 B. Elasticity of demand < 1 C. Elasticity of demand > 1 D. Elasticity of demand = 0 |
| 19 | Vertical supply curve means | A. Same quantity supplied at different price B. Different quantities supplied at one price C. Different quantities supplied at different prices D. None of three |
| 20 | The cause of extension and contraction of demand is | A. Income B. Price C. Population D. Technology |