

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

Sr	Questions	Answers Choice
1	Equilibrium means	A. the condition that is not possible B. an unstable condition C. a condition that can change D. stable position
2	In case of fall in demand, demand curve shifts:	A. Left side B. Right side C. Downward D. Both (a) and (c)
3	The quantity of commodity which exists in warehouse (stock) of the seller is called	A. Supply B. Demand C. Stock D. All of these
4	Reserve price of a commodity is that price	A. Which is more than the cost of production of the seller B. At which the seller sells his commodity in the market C. Which is equal to the cost of production of the seller D. Below which the seller is not ready to sell his commodity
5	Slope of demand curve is	A. Negative B. Positive C. zero D. fixed
6	Supply of perishable goods e.g. groceries, fruit, meat etc is	A. Less elastic B. More elastic C. Perfectly inelastic D. Perfectly elastic
7	Unitary method is also known as:	A. Total revenue B. Total satisfaction C. Total utility D. Total expenditure
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	If supply increase due to increase in price, it is called	A. Extension of supply B. Contraction of supply C. Rise of supply D. Fall of supply
10	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
11	If the demand for a commodity is more elastic, then an entrepreneur in order to increase his profit	A. Will increase its price B. Will decrease its price C. Will not change its price D. None of these
12	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
13	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
14	Demand for the commodities whose use can be postponed is	A. Less elastic B. More elastic C. Perfectly inelastic D. infinitely elastic

15	If total expenditure of the consumer decreases due to increase 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
16	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
17	If supply rises more proportionately than that of demand, then	A. Equilibrium price increases B. Equilibrium price decreases C. Equilibrium price does not change D. Equilibrium quantity decreases
18	When supply increases due to other factors besides price, it is called	A. Extension of supply B. Contraction of supply C. Rise of supply D. Fall of supply
19	Who did present unity method to measure elasticity of demand	A. Adam Smith B. Marshall C. Robbins D. keynes
20	Second name of unitary method is	A. Method of total satisfaction B. total expenditure method C. total revenue method D. Both 2nd and 3rd