

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

Sr	Questions	Answers Choice
1	What functional relationship is present between demand and price	A. positive B. inverse C. increasing D. none of these
2	If supply is fixed then due to fall of demand	A. Equilibrium price decreases B. Equilibrium quantity increases C. Equilibrium price increases D. Equilibrium price does not change
3	Slope of demand curve is	A. Negative B. Positive C. zero D. fixed
4	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
5	Intersection of demand and supply curve is called	A. Equilibrium of firm B. Equilibrium of demand C. Equilibrium of supply D. Equilibrium point
6	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
7	Another name of unitary method is	A. Total satisfaction method B. Total expenditure method C. Total revenue method D. Both 2nd and 3rd
8	The cause of rise and fall of demand is	A. income B. price C. population D. Both 1st and 3rd
9	Second name of unitary method is	A. Method of total satisfaction B. total expenditure method C. total revenue method D. Both 2nd and 3rd
10	One of the following is not substitute good:	A. Mobile and charger B. Petrol and CNG C. Burger and Shawarma D. Both b & c
11	Demand for the commodities whose use can be postponed is	A. Less elastic B. More elastic C. Perfectly inelastic D. infinitely elastic
12	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
13	Cause of shifting of supply curve is	A. Change in price B. Other factors C. Change in tax D. Change in income
14	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
15	If demand and supply both fall in the same proportion	A. Equilibrium price increases B. Equilibrium price decreases C. Equilibrium price does not change D. Equilibrium quantity increases

16	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
17	Demand for the commodities having different uses	A. Less elastic B. More elastic C. Perfectly inelastic D. Infinitely elastic
18	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
19	Usually market price is _____ normal price	A. Equal to B. Less than C. More than D. None of these
20	If demand curve is parallel to y-axis, then elasticity of demand is	A. Equal to unity B. More than unity C. Less than unity D. Zero