

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

Sr	Questions	Answers Choice
1	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
2	Supply of durable goods is	A. Elastic B. Perfectly elastic C. Perfectly inelastic D. Less elastic
3	By increasing the cost of production, the supply	A. Extends B. contracts C. Falls D. Rises
4	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
5	If demand changes by more than 10% due to 10% change in price, then elasticity of demand is called	A. Equal to unity B. More than unity C. Less than unity D. Infinite
6	Unitary method is also known as:	A. Total revenue B. Total satisfaction C. Total utility D. Total expenditure
7	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
8	Cause of shifting of supply curve is	A. Change in price B. Other factors C. Change in tax D. Change in income
9	Demand for Giffen goods is:	A. Negative B. Vertical C. Positive D. All of them
10	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
11	A slight change in demand and price is called:	A. Point Elasticity of demand B. Arc Elasticity of demand C. Cross Elasticity of demand D. Price Elasticity of demand
12	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
13	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
14	If the total expenditure of the consumer does not change due to increase or decrease (change) 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
15	If the rate of change in price and quantity demand is in equal ratio, then Elasticity of demand is:	A. Equal to zero B. Equal to one C. Smaller than one D. Greater than one

16	Demand for luxuries in	A. Less elastic B. More elastic C. Perfectly elastic D. Perfectly inelastic
17	Slope of demand curve of exceptions of law of demand is	A. Negative B. Positive C. Zero D. Fixed
18	Supply of goods depends on	A. price B. income C. income and price D. utility
19	The goods on which law of demand does not apply, are called	A. Services B. Goods and services C. Giffin goods D. Capital goods
20	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