

## Economics Ics Part 1 English Medium Chapter 4 Online Test

Sr	Questions	Answers Choice
1	With rapid economic growth in a country the individual demand curve will:	A. Rise B. Fall C. Extend D. Contract
2	One of the following will not cause a rise and fall on demand.	A. Change in income B. Change in weather C. Discovery of a substitute D. Distribution of income remaining the same
3	Price elastic of demand measures	A. change in price caused by changes in demand B. the rate of change of sales C. the responsiveness of demand to price changes D. the value of sales at a given price
4	When the price of a product falls and as a consequence the demand for the product increase, it will be.	A. Rise of demands B. Fall of demand C. Extension of demand D. Contraction on demand
5	When the demand of a product rises due to factors except price it will be.	A. Extension of demands B. Rise of demand C. Contraction of demand D. Extension of demand
6	The law demand will not be valid in case of.	A. Very high price products B. Normal goods C. Price effect D. Income effects
7	This is an assumption of law of demand	A. price of the commodity does not change B. quantity should not change C. supply should not change D. income of consumer should not change
8	The demand curve slopes downward from left to right because of:	A. Income effect B. Substitution effect C. Entry of new buyers D. All of the above
9	If demand is unitary elastic, a 25% increase in price will result in	A. 25% change in total revenue B. no change in quantity demanded C. 1% decrease in quantity demanded D. 25% decrease in quantity demanded
10	Demand is a function of	A. price B. quantity C. supply D. none
11	Cross elasticity of Suzuki and Honda cars will be	A. Positive B. negative C. zero D. infinite
12	A horizontal demand curve has a price elasticity of	A. zero B. infinity C. 1 D. variable
13	Price and demand are positively correlated in case of	A. necessities B. comforts C. Giffen goods D. Luxuries
14	If price elasticity of demand is very low, the commodity is	A. necessity B. luxury C. substitute D. ...

		D. not available
15	When cross elasticity of demand for A and B is positive number, one can conclude that	A. the goods are cheaper B. the goods are inferior C. the goods are substitutes D. the goods are complements
16	The following are causes of shift in demand EXCEPT the one	A. change in income B. change in price C. change in fashion D. change in prices of substitutes
17	The law of demand will not be apply in case of	A. Inferior goods B. Superior goods C. Normal goods D. Non of them
18	When demand is perfectly inelastic, an increase in price will result in	A. decrease in total revenue B. increase in total revenue C. no change in total revenue D. decrease in quantity demanded
19	The demand of a will expand when:	A. Other things do not remain constant. B. Price of the products changes. C. Value of money falls. D. None of the three
20	If quantity demanded is completely unresponsive to changes in price, demand is	A. inelastic B. unit elastic C. elastic D. perfectly inelastic