

Economics Ics Part 1 English Medium Chapter 4 Online Test

Sr	Questions	Answers Choice
1	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
2	The law of demand will not be apply in case of	A. Inferior goods B. Superior goods C. Normal goods D. Non of them
3	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
4	If elasticity of demand is very low it shows that the commodity is	A. a necessity B. a luxury C. has little importance in total budget D. a and c above
5	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
6	Other things equal, if a good has more substitutes, its price elasticity of demand is	A. larger B. smaller C. zero D. unity
7	A horizontal demand curve has a price elasticity of	A. zero B. infinity C. 1 D. variable
8	Market demand curve is a summation of all individual demand curves as	A. Vertical B. horizontal C. mathematical D. local
9	If price and total revenue move in the same direction, then demand is	A. inelastic B. elastic C. unrelated D. perfectly elastic
10	Demand is a function of	A. price B. quantity C. supply D. none
11	Normally a demand curve will have the shape	A. horizontal B. vertical C. downward sloping D. upward sloping
12	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
13	Which one is not determinant of demand	A. tastes B. income C. method of production D. price
14	To say that two goods are unrelated, their cross price elasticity of demand should be	A. less than 0 B. greater than 0 C. equal to 0 D. 1
15	Mr. Suleri bought 50 litters of petrol when his monthly income was Rs. 25000. Now his monthly income has risen to Rs. 50000 and he purchases 100 litres of petrol. His income elasticity of demand for petrol is	A. 1 B. 100% C. less than one D. more than one

16	Haris has a special taste for chicken rolls of college canteen. The owner of the canteen doubles the price of chicken roll. Haris did not respond to the increase in prices and kept on demanding the same quantity of chicken roll. His demand for chicken roll is	A. perfectly elastic B. perfectly inelastic C. elastic D. less elastic
17	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
18	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
19	One of the following is not an exception the law of demand.	A. Very high price products B. Very low price products C. Ignorance of consumers D. Non of the above
20	The law demand will not be valid in case of.	A. Very high price products B. Normal goods C. Price effect D. Income effects