

## Economics Ics Part 1 English Medium Chapter 5 Online Test

Sr	Questions	Answers Choice
1	The demand for a product is inelastic. In order to increase government revenue, the finance minister will :	A. Lower down the tax rate B. Increase the tax rate C. Not change the tax rate D. Double the tax rate
2	If a firm makes 200 units of a good available at a price of Rs. 10 per unit, the elasticity is	A. 0.05 B. 10 C. 20 D. indeterminate
3	The total quantity of a commodity available in or near the market which can be brought for sale at a short notice	A. Stock B. Supply C. Demand D. None of these
4	Elasticity of a demand for product will be greater than unity if, with a fall in its price, total expenditure of consumer.	A. Increase B. Falls C. Remains the same D. None of the three
5	The composite demand for a product is generally:	A. Elastic B. Inelastic C. Equal to unity D. Equal to zero
6	The elasticity of demand for a product is less than unity. Therefore, with a fall in its price, total expenditure of consumer will.	A. Fall B. Rise C. Remain the same D. Fluctuate
7	When the percentage change in quantity demanded is greater than the percentage change in price, elasticity of demand for the product will be.	A. Equal to unity B. Less than unity C. Greater than unity D. Equal to zero
8	In case of perfectly elastic demand curve, the demand curve will be parallel to the :	A. Horizontal axis B. Vertical Axis C. None of the above
9	If a change in demand is brought by a change in income, of demand will be.	A. Income elasticity B. Price elasticity C. Cross elasticity D. Arcelasticity
10	The quantities of a commodity offered for sale at different prices during a given period of time are called	A. Supply B. Demand C. Stock D. None of these
11	If price changes by one % and supply changes by 2% then supply is	A. elastic B. inelastic C. indeterminate D. static
12	Who present the Arc Elasticity formula for the measurement of elasticity of demand.	A. R.G.D Allen B. Pareto C. J.R. Hicks D. Robbins
13	With a fall in price quantity demand changes in such a way that total expenditure of the consumer remain constant, elasticity of demand will be.	A. Equal to unity B. Greater than unity C. Less than unity D. Equal to zero
14	With a fall in the price of a Giffen good or inferior good its quantity demand will.	A. Fall B. Rise C. Remain unchanged D. None of three
15	If the price of a product increase from Rs. 12 per unit and as a consequence quantity demand of the product falls from 100 units to 50 units . The price elasticity of the product will be.	A. 2.5 B. 0.5 C. 1.5 D. 3.5

16	If the price of a product rises, quantity demand if its substitute will.	A. Fall B. Rise C. Remain unchanged D. Fluctuate
17	The product which have close substitute their demand is always.	A. More elastic B. Perfectly elastic C. Perfectly inelastic D. Less elastic
18	The method to measure the elasticity of demand by the unitary method was introduced by.	A. Alfred Marshall B. Robbins C. Adam Smith D. Malthus
19	An increases in demand would cause supply curve to	A. shift to the left B. shift to the right C. change in slope of supply curve D. no effect on supply
20	Supply curve	A. is vertical in long run B. is flatter in long run C. is same in long and short run D. is horizontal in both short and long run