

Economics Ics Part 1 English Medium Chapter 6 Online Test

Sr	Questions	Answers Choice
1	When there is big change in quantity supplied resulting from a minor change in its price, its elasticity of supply will be.	A. Equal to unity B. Less than unity C. Equal to zero D. Greater than unity
2	A decrease in demand causes the equilibrium price to	A. rise B. fall C. remain constant D. indeterminate
3	Equilibrium	A. is a state that can never be achieved in economics B. is an important idea for predicting economics changes C. is a stable condition D. is an unstable condition
4	In market equilibrium, supply is vertical line. The downward sloping demand curve shifts to the right. Then	A. price will fall B. price remains same C. price will rise D. quantity rises
5	In case of a fall in supply.	A. Quantity supplied falls at the same price. B. Quantity supplied rises at the same price. C. Quantity supplied remain at the lower price. D. None of the three
6	One of the following is not an assumption of law of supply.	A. Political system should not changed B. Cost of production should not changed C. Production technique should not changed D. Cost of raw material should not changed
7	A fall in supply will take place due to a:	A. Business collusion B. Bumper crop C. Fall in custom duty D. Fall in income
8	Price of a product is determined in a free market	A. by demand for the product B. by supply of the product C. by both demand and supply D. by the government
9	If price is set above equilibrium level, there will be	A. surplus commodity in the market B. shortage of commodity in the market C. supply curve will shift D. demand curve will shift
10	Which one will be termed as supply of a product.	A. One ton potato in cold storage B. One ton rice offered for sale in market C. One ton rice brought for sale in market at a certain price. D. None of the three
11	Market Price of Perishable	A. Commodities B. Utility C. Consumer D. None of these
12	When the price of a product increase by 100 percent and as a consequence, its quantity supplied increase by 125 percent, Its elasticity of supply will be.	A. Less than unity B. Greater than unity C. Equal to unity D. Equal to zero
13	A change in price brings in quantity supplied. it will be.	A. Rise in supply B. Contraction of supply C. Fall in supply

D. Extension of supply

14	With an increase in cost of production, price of the product rises while supply of the product will.	A. Fall B. Rise C. Remain unchanged D. Non of the three
15	Extension of supply will take place as a consequence of:	A. Change in price B. Change in population C. Change in technology D. Change in money supply
16	If equilibrium price rises but equilibrium quantity remains unchanged, the cause is	A. supply and demand both increase equally B. supply and demand both decrease equally C. supply decreases and demand increases D. supply increases and demand decreases
17	Demands and supply curves cross at	A. always at 60 degree B. at 90 degree C. at equal angle D. at any angle
18	When demand is perfectly elastic, an increase in supply will result in	A. decrease in quantity sold B. increase in quantity sold C. fall in price D. b and c above
19	Market equilibrium means	A. number of buyers and sellers are equal B. demand and supply of commodity are equal C. no price is changing D. prices rise very slowly
20	If equilibrium price rises but equilibrium quantity is unchanged, the cause is	A. supply and demand both increase equally B. supply and demand decrease equally C. supply curve is vertical and demand increases D. supply increases and demand is same