

Economics Ics Part 1 English Medium Chapter 6 Online Test

Sr	Questions	Answers Choice
1	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
2	A rise in supply and demand in equal proportion will result in	A. increase in equilibrium price and decrease in equilibrium quantity B. decreases in equilibrium price and increases in equilibrium quantity C. no change in equilibrium price and increases in equilibrium quantity D. increases in equilibrium price and no change in equilibrium quantity
3	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
4	An increases in the price of mutton provides information which	A. tells consumers to buy more mutton B. tells consumers to buy more chicken C. tells producers to produce more mutton D. b and c of above
5	Market equilibrium means a situation where	A. $Q_s = Q_d$ B. $Q_s = Q_p$ C. $Q_d = Q_p$ D. $Q_q = Q_p$
6	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
7	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
8	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
9	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
10	A producers has one thousand tons of rice to be offered for sale at a certain price in future, it will be called.	A. Supply of output B. Production C. Buffer stock D. Stock
11	When the supply curve of a product is parallel to the vertical axis, it would mean that;	A. Different quantities of a product are supplied at the same price. B. Different quantities of a product are supplied at different price. C. Same quantities of a product are supplied at different price. D. None of three
12	If we know that quantities bought and sold are equal, we can conclude that	A. quantities demanded and supplied are also equal B. the market is in equilibrium C. there will be no tendency for a price change D. all of the above
		A. Quantity supplied falls at the same

13	In case of a fall in supply.	<p>price.</p> <p>B. Quantity supplied rises at the same price.</p> <p>C. Quantity supplied remain at the lower price.</p> <p>D. None of the three</p>
14	If equilibrium price rises but equilibrium quantity is unchanged, the cause is	<p>A. supply and demand both increase equally</p> <p>B. supply and demand decrease equally</p> <p>C. supply curve is vertical and demand increases</p> <p>D. supply increases and demand is same</p>
15	Market Price of Perishable	<p>A. Commodities</p> <p>B. Utility</p> <p>C. Consumer</p> <p>D. None of these</p>
16	Equilibrium	<p>A. is a state that can never be achieved in economics</p> <p>B. is an important idea for predicting economics changes</p> <p>C. is a stable condition</p> <p>D. is an unstable condition</p>
17	With an increase in cost of production, price of the product rises while supply of the product will.	<p>A. Fall</p> <p>B. Rise</p> <p>C. Remain unchanged</p> <p>D. Non of the three</p>
18	A change in price brings in quantity supplied. it will be.	<p>A. Rise in supply</p> <p>B. Contraction of supply</p> <p>C. Fall in supply</p> <p>D. Extension of supply</p>
19	A fall fall in supply will take place due to a:	<p>A. Business collusion</p> <p>B. Bumper crop</p> <p>C. Fall in custom duty</p> <p>D. Fall in income</p>
20	Which one will be termed as supply of a product.	<p>A. One tone potato in cold storage</p> <p>B. One ton rice offered for sale in market</p> <p>C. One ton rice brought for sale in market at a certain price.</p> <p>D. None of the three</p>