

## PPSC Economics Chapter 2 Micro Economics

Sr	Questions	Answers Choice
1	when there is huge change in demand following method is used to measure elasticity of demand.	A. Percentage method B. Arc method C. Point method D. Other method
2	The demand curve of unitary elastic commodity is.	A. Rectangular hyperbola B. Parabola C. Straight line D. None of these
3	Which of the following taxes is regressive	A. The federal income tax B. The state income tax C. The sales tax D. The Medicare tax
4	One of the following has more elastic demand.	A. A commodity with substitutes     B. A commodity having more than one use     C. A commodity commonly use     D. None of these
5	The tax is question 52 is	A. Progressive's B. Regressive C. Proportional D. None of these
6	An income demanded curve of an inferior good is.	A. Same in slope B. Upward is slope C. Downward in slope D. None of these
7	Extension and contraction of demand mean	A. Movement on the same demand curve B. Movement to high demand curve C. Movement to lower demand curve D. Movement to another demand curve
8	change in quantity demanded	A. Downward shift of demand curve     B. Movement on the same demand curve     C. Downward shift     D. None of these
9	Duopoly is a market situation when there is	A. Single seller B. Many seller C. Two seller D. Few seller
10	The largest source of tax revenue for the federal government is	A. The prerenal income tax B. The social security tax C. the property tax D. The sales tax
11	A demand curve is not related to	A. The time period B. The price of the commodity C. The price of substitution D. Any of above
12	A typical demand curve cannot be	A. Rising upwards to the right B. A straight line C. Concave to origin D. Convex to origin
13	Law of variable proportion is also called.	A. Law of non proportion returns     B. Law of substitution     C. Law of casts     D. Law of demand
14	Labour has the following characteristics accept one.	A. It cannot be separated form labourer     B. It cannot be stored     C. Its supply cannot be increase at once

		D. Bargaining power of laborer is very strong
15	When goods are compliments the cross demand curve	A. Upward to the right     B. Backward to bottom     C. Inwards to the right     D. Downwards to right
16	When the quantity demanded is changed on the same price	A. the demand curve shifts upward B. The demand curve shifts downward C. Movement on the same demand curve D. None of these
17	A consumer is said to be in equilibrium when the marginla utility and price of a commodity	A. More B. Less C. Irrelevant D. Equal
18	When due to change in price of commodity x demand of commodity y is charged it is called.	A. Income elasticity B. Price elasticity C. More elastic D. Cross elasticity
19	The classical are of the view that utility can be.	A. Ranked B. Counted C. Expressed in numbers D. Not counted
20	Elasticity of demand of luxurious goods is always more elastic	A. More elastic B. Less elastic C. Equal elastic D. None elastic