Principles of Economics Icom Part 1 English Medium Chapter 3 Online Test

Sr	Questions	Answers Choice
1	In order to satisfy some wants, more than one commodities are needed. Demand for such commodities is called	A. Joint demand B. Composite demand C. Derived demand D. Direct demand
2	If demand curve is parallel to x-axis, then elasticity of demand is	A. Infinite B. Zero C. Equal to unity D. More than unity
3	In case of rise in demand, demand curve shifts:	A. Right side B. Downward C. Upward D. (a) and (c)
4	If same amount of good is supplied at higher price, it is called	A. Expansion of supply B. Contraction of supply C. Fall in supply D. Rise in supply
5	If price of a commodity constant but its supply increases or price decreases but supply remains constant, it is called	A. Rise of supply B. Fall of supply C. Extension of supply D. Contraction of supply
6	Demand for the commodities whose use can be postponed is	A. Less elastic B. More elastic C. Perfectly inelastic D. infinitely elastic
7	If supply goes on increasing due to a slight increase in price, then elasticity of supply is called	A. Zero B. Infinite C. Equal to unity D. More than unity
8	Relationship between price and quantity demanded is called	A. Demand schedule B. Demand curve C. Law of demand D. Assumptions of law of demand
9	Measurement of arc elasticity of demand was present:	A. Keynes B. Marshall C. Adam smith D. R.G.D Allen
10	If quantity demand changes due to the change in income, it is called:	A. Point Elasticity of demand B. Arc Elasticity of demand C. Income Elasticity of demand D. Price Elasticity of demand
11	If price of a commodity remains constant but its supply decreases or price increases but supply remains constant, it is called	A. Rise of supply B. Extension of supply C. Fall of supply D. Contraction of supply
12	Price is determined under perfect competition	A. By sellers B. By buyers C. By government D. By forces of demand and supply
13	Supply of goods depends upon	A. Price B. Income C. Price and income D. Utility
14	If supply of a commodity changes by more than 10% due to 10% change in its price, then elasticity of supply will be	A. Equal to unity B. More than unity C. Less than unity D. Infinite
15	If demand decreases by 15% due to 10% increase in Price, then elasticity of demand is	A. Equal to unity B. More than unity C. Less than unity D. Zero

16	If demand changes by more than 10% due to 10% change in price, then elasticity of demand is called	A. Equal to unity B. More than unity C. Less than unity D. Infinite
17	Finance minister imposes tax on the goods having more elastic demand	A. At low rate B. At high rate C. At the same rate D. At zero rate
18	If supply curve is vertical (parallel to y-axis), then elasticity of supply is	A. Zero B. Infinite C. Equal to unity D. More than unity
19	The price at which quantity demanded and supplied are equal	A. Equilibrium price B. Reserve price C. Fixed price D. Variable price
20	The goods which are jointly demanded are called:	A. Substitute goods B. Complimentary goods C. Alternative goods D. None of these