Economics Ics Part 1 English Medium Chapter 6 Online Test

Sr	Questions	Answers Choice
1	When price is fixed below 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
2	A fall fall in supply will take place due to a:	A. Business collusion B. Bumper crop C. Fall in custom duty D. Fall in income
3	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
4	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
5	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
6	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
7	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
8	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
9	When there is big change in quantity supplied resulting from a minor change inits price,its elasticity of supply will be.	A. Equal to unity B. Less than unity C. Equal to zero D. Greater than unity
10	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
11	Demand and supply forces determine market price	A. only in perfect competition B. only in monopoly market C. in both markets D. none of the above
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. Fall

13	With an increase in cost of production, price of the product rises while supply of the product will.	B. Rise C. Remain unchanged D. Non of the three
14	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
15	The price and sales of sugar both increase. What could be the cause of this?	A. a decrease in the income of the consumers. B. a decrease in the tax on sugar C. An increase in the wages of workers in the sugar industry D. An increase in the price of sugar substitutes
16	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
17	Market Price of Perishable	A. Commodities B. Utility C. Consumer D. None of these
18	A decrease in demand causes the equilibrium price to	A. rise B. fall C. remain constant D. indeterminate
19	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
20	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