Economics Ics Part 1 English Medium Chapter 5 Online Test

Sr	Questions	Answers Choice
1	Which one is increasing function of price	A. demand B. utility C. supply D. consumption
2	It describes the law of supply	A. supply curve B. supply schedule C. supply equation D. all the three
3	Supply curve will shift when	A. price falls B. price rises C. demand shifts D. technology changes
4	An increases in demand would cause supply curve to	A. shift to the left B. shift to the right C. change in slope of supply curve D. no effect on supply
5	If price changes by one % and supply changes by 2% then supply is	A. elastic B. inelastic C. indeterminate D. static
6	If elasticity of supply is greater than one. supply curve will be	A. horizontal B. vertical C. passing through origin D. touching y-axis
7	Supply curve	A. is vertical in long run B. is flatter in long run C. is same in long and short run D. is horizontal in both short and long run
8	During a particular year farmers experienced a dry weather, if all other factors remain constant, farmers supply curve for wheat will shift to	A. rightward B. leftward C. downward D. no direction
9	When a supply of a commodity increases without change in price it is called	A. fall in supply B. expansion in supply C. contraction in supply in D. rise in supply
10	What best explains a shift in market supply curve to the right?	A. an advertising campaign is successful in promoting the good B. a new technique makes it cheaper to produce the good C. the government introduces a tax on the good D. the price of raw materials increases
11	Supply of a commodity means	A. willingness to sell a certain quantity B. physical stocks available C. planned production D. total production in a given period
12	If elasticity of supply is one, supply curve will be	A. horizontal B. vertical C. passing through origin D. touching x-axis
13	Which of the following shifts supply curve of cars to the right	A. tax on new cars B. increase in wages of workers C. decrease in steel price D. a successful promotion campaign by sellers
14	Long period supply curve is	A. relatively flatter B. relatively steeper

		C. more elastic D. a and c of above
15	If a firm makes 200 units of a good available at a price of Rs. 10 per unit, the elasticity is	A. 0.05 B. 10 C. 20 D. indeterminate
16	In May 2012, firm was supplying 1000 kg of sugar at market price of Rs. 60/- per kg. During June 2012, firm's supply of sugar had decreased to 900 kg at price Rs. 40/- per kg. These changes show that supply of sugar is	A. Perfectly elastic B. Perfectly inelastic C. Less elastic D. More elastic
17	Other things remaining the same, quantity supplied of a commodity increases with rise in price and decreases with fall in price are called	A. Law of Supply B. Law of Demand C. Law of equilibrium D. None of these
18	The quantities of a commodity offered for sale at different prices during a given period of time are called	A. Supply B. Demand C. Stock D. None of these
19	A schedule of the amount of a good that would be offered for sale at all possible prices, at any one instant of time or during any period of time are called	A. Supply B. Demand C. Stock D. None of these
20	The total quantity of a commodity available in or near the market which can be brought for sale at a short notice	A. Stock B. Supply C. Demand D. None of these
21	If the price of a product increase from Rs. 12 per unit and as a consequence quantity demand of the product falls from 100 units to 50 units . The price elasticity of the product will be.	A. 2.5 B. 0.5 C. 1.5 D. 3.5
22	With a fall in the price of a Giffen good or inferior good its quantity demand will.	A. Fall B. Rise C. Remain unchanged D. None of three
23	Products A and B are substitutes whereas A and C are complement. With a rise in the price of product A, quantity demand of:	A. Product B will go up B. Product will fall C. Both the above will take place D. Nothing will take place
24	Elasticity of a demand for product will be greater then unity if, with a fall in its price, total expenditure of consumer.	A. Increase B. Falls C. Remains the same D. None of the three
25	The price of a product double due to which its quantity demand falls to one half. The elasticity of demand for product will be:	A. Equal to unity B. Lass than unity C. Greater than unity D. Equal to zero
26	Who present the Arc Elasticity formula for the measurement of elasticity of demand.	A. R.G.D Allen B. Pareto C. J.R. Hicks D. Robbins
27	If the price of a product rises, quantity demand if its substitute will.	A. Fall B. Rise C. Remain unchanged D. Fluctuate
28	The elasticity of demand for a product is less than unity. Therefore, with a fall in its price, total expenditure of consumer will.	A. Fall B. Rise C. Remain the same D. Fluctuate
29	In case of perfectly elastic demand curve, the demand curve will be parallel to the.	A. Horizontal Axis B. Vertical Axis C. None of the above
30	In case of perfectly elastic demand curve, the demand curve will be parallel to the :	A. Horizontal axis B. Vertical Axis C. None of the above
31	The composite demand for a product is generally:	A. Elastic B. Inelastic C. Equal to unity D. Equal to zero
32	The demand for a product is inelastic. In order to increase government revenue, the finance minister will :	A. Lower down the tax rate B. Increase the tax rate C. Not change the tax rate

	minister will :	C. Not change the tax rate D. Double the tax rate
33	The elasticity f demand in case of substitute is called.	A. Income elasticity of demand B. Priceelasticity of demand C. Crosselasticity of demand D. None of the three
34	The method to measure the elasticity of demand by the unitary method was introduced by.	A. Alfred Marshall B. Robbins C. Adam Smith D. Malthus
35	The method to measure the elasticity of demand is :	A. Percentage method B. Total outlay approach C. Geometric approch D. All the three
36	When the percentage change in quantity demanded is greater than the percentage change in price, elasticity of demand for the product will be.	A. Equal to unity B. Less than unity C. Greater than unity D. Equal to zero
37	With a fall in price quantity demand changes in such a way that total expenditure of the consumer remain constant, elasticity of demand will be.	A. Equal to unity B. Greater than unity C. Less than unity D. Equal to zero
38	If a change in demand is brought by a change in income, of demand will be.	A. Income elasticity B. Price elasticity C. Cross elasticity D. Arcelasticity
39	Elasticity of demand in case of minor change in price and quantity demand will be .	A. Income elasticity of demand B. Cross elasticity of demand C. Point elasticity of demand D. Arc elasticity of demand
40	Which one of the following pairs represent complementary demand for a product.	A. Tea & coffe B. Butter & Margarine C. Shirt & shoes D. Shirt & trouser
41	The product which have close substitute their demand is always.	A. More elastic B. Perfectly elastic C. Perfectly inelastic D. Less elastic