

## Economics Ics Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	Given the demand curve, a rise in supply will.	A. Increase quantity supplied B. Price will fall C. Price will rise D. Both (a) and (b)
2	Equilibrium price of a product is determined by:	A. The government B. An industrialist C. Market competition D. An agriculturist
3	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
4	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
5	With an increase in cost of production, price of the product rises while supply of the product will.	A. Fall B. Rise C. Remain unchanged D. None of the three
6	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
7	One of the following is not an assumption of law of supply.	A. Political system should not change B. Cost of production should not change C. Production technique should not change D. Cost of raw material should not change
8	A producer 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
9	Perfectly inelastic supply curve is:	A. Parallel to vertical axis B. Parallel to horizontal axis C. Rises upward to the right D. Falls downward to the right
10	In case of a fall in supply.	A. Quantity supplied falls at the same price. B. Quantity supplied rises at the same price. C. Quantity supplied remain at the lower price. D. None of the three
11	A fall in supply will take place due to a:	A. Business collusion B. Bumper crop C. Fall in custom duty D. Fall in income
12	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
13	Which one will be termed as supply of a product.	A. One tonne potato in cold storage B. One tonne rice offered for sale in market C. One tonne rice brought for sale in market at a certain price. D. None of the three
		A. Different quantities of a product

14	When the supply curve of a product is parallel to the vertical axis, it would mean that;	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
15	The product which have close substitute their demand is always.	A. More elastic B. Perfectly elastic C. Perfectly inelastic D. Less elastic
16	Which one of the following pairs represent complementary demand for a product.	A. Tea & coffe B. Butter & Margarine C. Shirt & shoes D. Shirt & trouser
17	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
18	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. Arc elasticity
19	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
20	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