

Economics Ics Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	The method to measure the elasticity of demand is :	A. Percentage method B. Total outlay approach C. Geometric approach D. All the three
2	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
3	The elasticity of demand in case of substitute is called.	A. Income elasticity of demand B. Price elasticity of demand C. Cross elasticity of demand D. None of the three
4	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 D. Double the tax rate
5	The composite demand for a product is generally:	A. Elastic B. Inelastic C. Equal to unity D. Equal to zero
6	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
7	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
8	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
9	If the price of a product rises, quantity demanded of its substitute will.	A. Fall B. Rise C. Remain unchanged D. Fluctuate
10	Who presented the Arc Elasticity formula for the measurement of elasticity of demand.	A. R.G.D Allen B. Pareto C. J.R. Hicks D. Robbins
11	The price of a product double due to which its quantity demanded falls to one half. The elasticity of demand for product will be:	A. Equal to unity B. Less than unity C. Greater than unity D. Equal to zero
12	Elasticity of demand for product will be greater than 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
13	Products A and B are substitutes whereas A and C are complements. With a rise in the price of product A, quantity demanded of:	A. Product B will go up B. Product C will fall C. Both the above will take place D. Nothing will take place
14	With a fall in the price of a Giffen good or inferior good its quantity demanded will.	A. Fall B. Rise C. Remain unchanged D. None of the three
15	If the price of a product increases from Rs. 12 per unit and as a consequence quantity demanded 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
		A. Change in income

16	One of the following will not cause a rise and fall on demand.	B. Change in weather C. Discovery of a substitute D. Distribution of income remaining the same
17	One of the following is not an exception the law of demand.	A. Very high price products B. Very low price products C. Ignorance of consumers D. Non of the above
18	The demand curve is negatively sloped due to	A. Income effect B. Substitution effect C. Price effect D. All the three
19	The law of demand will not be apply in case of	A. Inferior goods B. Superior goods C. Normal goods D. Non of them
20	When the price of a product falls and as a consequence the demand for the product increase. it will be.	A. Rise of demands B. Fall of demand C. Extension of demand D. Contraction on demand