

## Economics Ics Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	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
2	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
3	A decrease in demand causes the equilibrium price to	A. rise B. fall C. remain constant D. indeterminate
4	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
5	Long period supply curve is	A. relatively flatter B. relatively steeper C. more elastic D. a and c of above
6	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
7	If elasticity of supply is one, supply curve will be	A. horizontal B. vertical C. passing through origin D. touching x-axis
8	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
9	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
10	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
11	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
12	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
13	If elasticity of supply is greater than one. supply curve will be	A. horizontal B. vertical C. passing through origin

D. touching y-axis

14 If price changes by one % and supply changes by 2% then supply is

- A. elastic
- B. inelastic
- C. indeterminate
- D. static

15 An increase 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

16 Supply curve will shift when

- A. price falls
- B. price rises
- C. demand shifts
- D. technology changes

17 It describes the law of supply

- A. supply curve
- B. supply schedule
- C. supply equation
- D. all the three

18 Which one is increasing function of price

- A. demand
- B. utility
- C. supply
- D. consumption

19 Price elasticity of demand measures

- A. change in price caused by changes in demand
- B. the rate of change of sales
- C. the responsiveness of demand to price changes
- D. the value of sales at a given price

20 If price and total revenue move in the same direction, then demand is

- A. inelastic
- B. elastic
- C. unrelated
- D. perfectly elastic