

## Economics Ics Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	Demand is a function of	A. price B. quantity C. supply D. none
2	Income elasticity of demand for normal good is always	A. 1 B. more than one C. negative D. positive
3	When price elasticity of demand for normal goods is calculated, the value is always	A. positive B. negative C. constant D. greater than one
4	Mr. Suleri bought 50 liters of petrol when his monthly income was Rs. 25000. Now his monthly income has risen to Rs. 50000 and he purchases 100 litres of petrol. His income elasticity of demand for petrol is	A. 1 B. 100% C. less than one D. more than one
5	The demand of a commodity having many substitutes is	A. more elastic B. less elastic C. zero elastic D. infinite elastic
6	The elasticity of demand of durable goods is	A. less than unity B. greater than unity C. equal to unity D. zero
7	Price and demand are positively correlated in case of	A. necessities B. comforts C. Giffen goods D. Luxuries
8	Haris has a special taste for chicken rolls of college canteen. The owner of the canteen doubles the price of chicken roll. Haris did not respond to the increase in prices and kept on demanding the same quantity of chicken roll. His demand for chicken roll is	A. perfectly elastic B. perfectly inelastic C. elastic D. less elastic
9	Which of the following is a demand function?	A. $Q + 4P = 20$ B. $Q = 35 + 3P$ C. $Q - 2P - 15 = 0$ D. $5P - Q = 4$
10	This is the assumption of law of demand	A. price of the commodity should not change B. Quantity demanded should not change C. Price of substitutes should not change D. Demand curve must be linear
11	If demand is inelastic, a change in the price	A. will change the quantity in same direction B. will change total revenue in same direction C. will change total revenue in the opposite direction D. will not change quantity
12	When cross elasticity of demand for A and B is positive number, one can conclude that	A. the goods are cheaper B. the goods are inferior C. the goods are substitutes D. the goods are complements
13	Irrespective of price, Somia always spends Rs. 100 a week on ice cream, we conclude that	A. elasticity of demand is 0 B. elasticity of demand is 1 C. elasticity of demand is infinite D. law of demand has been violated
14	If demand is unitary elastic, a 25% increase in price will result in	A. 25% change in total revenue B. no change in quantity demanded C. 1% decrease in quantity

		demanded D. 25% decrease in quantity demanded
15	When demand is perfectly inelastic, an increase in price will result in	A. decrease in total revenue B. increase in total revenue C. no change in total revenue D. decrease in quantity demanded
16	The following are causes of shift in demand EXCEPT the one	A. change in income B. change in price C. change in fashion D. change in prices of substitutes
17	If elasticity of demand is very low it shows that the commodity is	A. a necessity B. a luxury C. has little importance in total budget D. a and c above
18	Price of a product falls by 10% and its demand rises by 30%. The elasticity of demand is	A. 10% B. 30% C. 3 D. 1/3
19	Other things equal, if a good has more substitutes, its price elasticity of demand is	A. larger B. smaller C. zero D. unity
20	If quantity demanded is completely unresponsive to changes in price, demand is	A. inelastic B. unit elastic C. elastic D. perfectly inelastic