

## Principles of Economics Icom Part 1 English Medium Chapter 3 Online Test

| Sr | Questions  | Answers Choice   |
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| 1  | Finance minister imposes tax on the goods having more elastic demand                                 | A. At low rate<br>B. At high rate<br>C. At the same rate<br>D. At zero rate                  |
| 2  | Demand for the commodities whose use can be postponed is   | A. Less elastic<br>B. More elastic<br>C. Perfectly inelastic<br>D. infinitely elastic        |
| 3  | Elasticity of demand for substitute and jointly demanded goods is called                             | A. Income elasticity<br>B. Arc elasticity<br>C. Cross elasticity<br>D. Point elasticity      |
| 4  | Elasticity of demand for luxuries is   | A. Equal to unity<br>B. More than unity<br>C. Less than unity<br>D. Zero                     |
| 5  | If demand curve is parallel to x-axis, then elasticity of demand is                                  | A. Infinite<br>B. Zero<br>C. Equal to unity<br>D. More than unity                            |
| 6  | If demand curve is parallel to y-axis, then elasticity of demand is                                  | A. Equal to unity<br>B. More than unity<br>C. Less than unity<br>D. Zero                     |
| 7  | Slope of demand curve of exceptions of law of demand is  | A. Negative<br>B. Positive<br>C. Zero<br>D. Fixed  |
| 8  | When demand for a commodity changes due to the change in price of some other commodity, it is called | A. Point elasticity<br>B. Arc elasticity<br>C. income elasticity<br>D. cross elasticity      |
| 9  | Demand for good like Television and VCR is   | A. Less elastic<br>B. More elastic<br>C. Perfectly inelastic<br>D. Infinitely elastic        |
| 10 | If demand does not change, despite a fall in price, is called  | A. Fall of demand<br>B. Rise of demand<br>C. Contraction of demand<br>D. Extension of demand |
| 11 | Under certain conditions, slope of demand curve is   | A. Negative<br>B. Positive<br>C. Zero<br>D. Fixed  |
| 12 | Relationship between price of a commodity and demand for it exists                                   | A. Positive<br>B. Inverse<br>C. Indirect<br>D. None of these                                 |
| 13 | Slope of demand curve is   | A. Negative<br>B. Positive<br>C. zero<br>D. fixed  |
| 14 | If there is big change in Price and demand, it is called   | A. Arc elasticity<br>B. Point elasticity<br>C. Income elasticity<br>D. Cross elasticity      |
| 15 | If there is slight change in price and demand, it is called  | A. Arc elasticity<br>B. Point elasticity<br>C. Income elasticity<br>D. Cross elasticity      |

