

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

Sr	Questions	Answers Choice
1	When the price of a commodity increases but its demand does not change, this situation is called	A. Constant demand B. Fall of demand C. Rise of demand D. Contraction of demand
2	When price of a commodity decreases but its demand does not change, this situation is called	A. Constant demand B. Fall of demand C. Rise of demand D. Extension of demand
3	Finance minister in order to increase the public revenue imposes the tax on the commodities whose demand is more elastic	A. At low rate B. At high rate C. Some times decreases the rate and some times increases D. Does not change Tax rate
4	Finance minister in order to increase the public revenue, imposes tax on the commodities whose demand is less elastic	A. At low rate B. At high rate C. Some times decreases the tax rate and some times increases the tax rate D. Does not change tax rate
5	If the demand for a commodity is less elastic, then an entrepreneur in order to increase his profit	A. Will increase its price B. Will decrease its price C. Will not change its price D. None of these
6	If the demand for a commodity is more elastic, then an entrepreneur in order to increase his profit	A. Will increase its price B. Will decrease its price C. Will not change its price D. None of these
7	If demand for commodity X changes due to the change in price of commodity, it is called	A. Cross elasticity B. Price elasticity C. Income elasticity D. Arc elasticity
8	If demand for a commodity changes due to change in price of its substitute, it is called	A. Price elasticity B. Point elasticity C. Cross elasticity D. Arc elasticity
9	Unity method to measure elasticity of demand was presented by	A. Adam smith B. Robbins C. Marshall D. Keynes
10	If due to a very slight decrease in price, demand goes on increasing, elasticity of demand will be	A. More than unity B. Less than unity C. Infinite D. Zero
11	If demand is not influenced by the changes in price, elasticity of demand will be	A. Equal to unity B. More than unity C. Less than unity D. Zero
12	If the ratio of change in demand is less than the ratio of change in price, elasticity of demand will be	A. More than unity B. Less than unity C. Equal to unity D. Zero
13	If the ratio of change in demand is equal to the ratio of change in price, elasticity of demand will be	A. More than unity B. Less than unity C. Equal to unity D. Infinite
14	Exceptions, or limitations of law of demand have been stated by	A. Professor Marshall B. Professor Adam Smith C. Professor Benham D. Professor Robbins

A. In the market period

- B. In the short period
 - C. In the middle period
 - D. In the long period
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