

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

Sr	Questions	Answers Choice
1	Market price will be determined where	A. Supply is more than demand B. Demand is more than supply C. Demand and supply are equal D. Demand is less elastic and supply is more elastic
2	Reserve price of a commodity is that price	A. Which is more than the cost of production of the seller B. At which the seller sells his commodity in the market C. Which is equal to the cost of production of the seller D. Below which the seller is not ready to sell his commodity
3	Price is determined under perfect competition	A. By sellers B. By buyers C. By government D. By forces of demand and supply
4	Market equilibrium is attained when there exists in the market	A. Perfect competition B. Imperfect competition C. Monopoly D. Large quantity of commodity comes in the market
5	Cause of positive slope of supply curve	A. Change in cost of production B. Fear of increase in cost of production and decrease in profit C. Change in technique of production D. Increase in per unit profit due to increase in price
6	Supply curve moves from left to right upward, this tendency is called	A. Negative B. Positive C. Horizontal D. Vertical
7	Supply of goods depends upon	A. Price B. Income C. Price and income D. Utility
8	Stock means the quantity of a commodity	A. Which is offered for sale in the market B. Which is sold in the market C. Total production is called stock D. Which the seller keeps in his possession without selling
9	Quantity of a commodity offered for sale in a market at a certain price during a given period of time, is called	A. Stock B. Demand C. Supply D. Quantity demanded
10	The goods on which law of demand does not apply, are called	A. Services B. Goods and services C. Giffin goods D. Capital goods
11	According to law of demand, curve moves from left to right downward. This type of tendency is called	A. Positive tendency B. Negative tendency C. Extension and contraction of demand D. Rise and fall of demand
12	According to law of demand, when price of a commodity decreases, then demand curve	A. Moves from left to right upward B. Moves from left to right downward C. Moves vertically D. Moves horizontally
13	Relationship between price and quantity demanded is called	A. Demand schedule B. Demand curve C. Law of demand D. Demand curve

14 What is meant by demand for a commodity in economics

- A. To desire for a commodity
- B. To have power to buy
- C. To have power to buy a commodity with desire
- D. Quantity of a commodity