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

Sr	Questions	Answers Choice
1	Supply means	A. total money of a specific producer B. Number of buyers C. quantity of goods offered for sale at different prices D. purchasing power of quantity supplied
2	By increasing the cost of production, the supply	A. Extends B. contracts C. Falls D. Rises
3	Which one of the following is not included in the assumptions of law of supply	A. taste of consumer B. cost of production C. Methods of production D. price of raw material
4	The quantity of commodity which exists in warehouse (stock) of the seller is called	A. Supply B. Demand C. Stock D. All of these
5	Supply of goods depends on	A. price B. income C. income and price D. utility
6	According to the law of supply, there is relation in price and supply	A. Inverse B. Increasing C. Negative D. indirect
7	If supply curve is vertical (parallel to y-axis), then elasticity of supply is	A. Zero B. Infinite C. Equal to unity D. More than unity
8	If supply curve is horizontal (parallel to x-axis) then elasticity of supply is	A. Zero B. Infinite C. Equal to unity D. More than unity
9	In case of perfectly elastic supply or infinite elasticity of supply, supply curve is	A. Horizontal (parallel to x-axis) B. Vertical (parallel to y-axis) C. Positive sloped D. Negative sloped
10	If supply of a commodity is fixed, it is called	A. Market supply B. Short period supply C. Long period supply D. Middle period supply
11	Elasticity of supply if perishable goods is	A. Equal to unity B. More than unity C. Less than unity D. Zero
12	Kinds of supply according to period of time are	A. Two B. Three C. Four D. Five
13	When price decreases, supply	A. Extends B. Contracts C. Becomes zero D. Remains fixed
14	Cause of movement along the supply curve is	A. Change in price B. Other factors C. Change in tax D. Change in income
15	If supply of a commodity changes by more than 10% due to 10% change in its price, then elasticity of supply will be	A. Equal to unity B. More than unity C. Less than unity