

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

Sr	Questions	Answers Choice
1	If supply of a commodity changes by less than 10% due to a 10% change in its price, then elasticity of supply will be	A. Equal to unity B. More than unity C. Less than unity D. Zero
2	If supply of a commodity changes by 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 D. Zero
3	Degree of change in quantity supplied due to change in price is called	A. Extension of supply B. Rise of supply C. Elasticity of supply D. None of three
4	According to law of supply, supply curve moves from left to right upward, this tendency is called	A. Positive B. Negative C. Horizontal D. Vertical
5	Cause of shifting of supply curve is	A. Change in price B. Other factors C. Change in tax D. Change in income
6	Supply of durable goods is	A. Elastic B. Perfectly elastic C. Perfectly inelastic D. Less elastic
7	When supply curve shifts leftwards or up, it is called	A. Rise of supply B. Fall of supply C. Extension of supply D. Contraction of supply
8	When supply curve shifts rightward or down it is called	A. Rise of supply B. Fall of supply C. Extension of supply D. Contraction of supply
9	A textile mill produces 2000 meters cloth. Entrepreneur offers 1500 meters cloth to sell at price Rs 100 per meter and 500 meters cloth keeps with him. Cloth kept by the entrepreneur is called	A. Total production B. Supply C. Stock D. Surplus production
10	Increasing function of price is	A. Demand B. Supply C. Utility D. Consumption
11	Rise of supply can be shown with the help of	A. A supply curve B. More than one supply curves C. Fixed supply curve D. Vertical supply curve
12	If elasticity of supply is less than unity then extending supply curve downward, it passes through or crosses	A. y-axis B. x-axis C. Point of origin D. Becomes vertical
13	If elasticity of supply is equal to unity then extending supply curve downward, it passes through or crosses	A. y-axis B. x-axis C. Point of origin D. Becomes vertical
14	Formula method to measure elasticity of supply is related to	A. Marshall B. Robbins C. R.G.D Allen D. Flux
15	Quantity supplied of a commodity extends because	A. Population changes B. Change occurs in assumptions of law of supply C. Income of the entrepreneur D. .

increases

D. Price of the commodity increases