

Economics Ics Part 1 English Medium Chapter 6 Online Test

Sr	Questions	Answers Choice
1	When the price of a product increase by 100 percent and as a consequence, its quantity supplied increase by 125 percent, Its elasticity of supply will be.	A. Less than unity B. Greater than unity C. Equal to unity D. Equal to zero
2	When there is big change in quantity supplied resulting from a minor change in its price, its elasticity of supply will be.	A. Equal to unity B. Less than unity C. Equal to zero D. Greater than unity
3	With an increase in cost of production, price of the product rises while supply of the product will.	A. Fall B. Rise C. Remain unchanged D. Non of the three
4	A change in price brings in quantity supplied. it will be.	A. Rise in supply B. Contraction of supply C. Fall in supply D. Extension of supply
5	One of the following is not an assumption of law of supply.	A. Political system should not changed B. Cost of production should not changed C. Production technique should not changed D. Cost of raw material should not changed
6	A producers has one thousand tons of rice to be offered for sale at a certain price in future, it will be called.	A. Supply of output B. Production C. Buffer stock D. Stock
7	Perfectly inelastic supply curve is:	A. Parallel to vertical axis B. Parallel to horizontal axis C. Rises upward to the right D. Falls downward to the right
8	In case of a fall in supply.	A. Quantity supplied falls at the same price. B. Quantity supplied rises at the same price. C. Quantity supplied remain at the lower price. D. None of the three
9	A fall in supply will take place due to a:	A. Business collusion B. Bumper crop C. Fall in custom duty D. Fall in income
10	Extension of supply will take place as a consequence of:	A. Change in price B. Change in population C. Change in technology D. Change in money supply
11	Which one will be termed as supply of a product.	A. One tone potato in cold storage B. One ton rice offered for sale in market C. One ton rice brought for sale in market at a certain price. D. None of the three
12	When the supply curve of a product is parallel to the vertical axis, it would mean that;	A. Different quantities of a product are supplied at the same price. B. Different quantities of a product are supplied at different price. C. Same quantities of a product are supplied at different price. D. None of three
13	Market Price of Perishable	A. Commodities B. Utility C. Consumer D. None of the three

		D. None of these
14	Market equilibrium means a situation where	<p>A. $Q_s = Q_d$</p> <p>B. $Q_s = Q_p$</p> <p>C. $Q_d = Q_p$</p> <p>D. $Q_q = Q_p$</p>
15	Demand and supply forces determine market price	<p>A. only in perfect competition</p> <p>B. only in monopoly market</p> <p>C. in both markets</p> <p>D. none of the above</p>
16	When demand is perfectly elastic, an increase in supply will result in	<p>A. decrease in quantity sold</p> <p>B. increase in quantity sold</p> <p>C. fall in price</p> <p>D. b and c above</p>
17	Demands and supply curves cross at	<p>A. always at 60 degree</p> <p>B. at 90 degree</p> <p>C. at equal angle</p> <p>D. at any angle</p>
18	Markets where firms supply goods and services demanded by households are	<p>A. factor market</p> <p>B. product market</p> <p>C. open markets</p> <p>D. resource markets</p>
19	Market equilibrium means	<p>A. number of buyers and sellers are equal</p> <p>B. demand and supply of commodity are equal</p> <p>C. no price is changing</p> <p>D. prices rise very slowly</p>
20	If equilibrium price rises but equilibrium quantity is unchanged, the cause is	<p>A. supply and demand both increase equally</p> <p>B. supply and demand decrease equally</p> <p>C. supply curve is vertical and demand increases</p> <p>D. supply increases and demand is same</p>