

Principles of Economics Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	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
2	The quantity of commodity which exists in warehouse (stock) of the seller is called	A. Supply B. Demand C. Stock D. All of these
3	Supply of goods depends on	A. price B. income C. income and price D. utility
4	According to the law of supply, there is relation in price and supply	A. Inverse B. Increasing C. Negative D. indirect
5	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
6	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
7	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
8	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
9	Elasticity of supply if perishable goods is	A. Equal to unity B. More than unity C. Less than unity D. Zero
10	Kinds of supply according to period of time are	A. Two B. Three C. Four D. Five
11	When price decreases, supply	A. Extends B. Contracts C. Becomes zero D. Remains fixed
12	Cause of movement along the supply curve is	A. Change in price B. Other factors C. Change in tax D. Change in income
13	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 D. Infinite
14	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
15	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

