

Principles of Economics Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	Elasticity of demand for substitute and jointly demanded goods is called	A. Income elasticity B. Arc elasticity C. Cross elasticity D. Point elasticity
2	Elasticity of demand for luxuries is	A. Equal to unity B. More than unity C. Less than unity D. Zero
3	If demand curve is parallel to x-axis, then elasticity of demand is	A. Infinite B. Zero C. Equal to unity D. More than unity
4	If demand curve is parallel to y-axis, then elasticity of demand is	A. Equal to unity B. More than unity C. Less than unity D. Zero
5	Slope of demand curve of exceptions of law of demand is	A. Negative B. Positive C. Zero D. Fixed
6	When demand for a commodity changes due to the change in price of some other commodity, it is called	A. Point elasticity B. Arc elasticity C. Income elasticity D. cross elasticity
7	Demand for good like Television and VCR is	A. Less elastic B. More elastic C. Perfectly inelastic D. Infinitely elastic
8	If demand does not change, despite a fall in price, is called	A. Fall of demand B. Rise of demand C. Contraction of demand D. Extension of demand
9	Under certain conditions, slope of demand curve is	A. Negative B. Positive C. Zero D. Fixed
10	Relationship between price of a commodity and demand for it exists	A. Positive B. Inverse C. Indirect D. None of these
11	Slope of demand curve is	A. Negative B. Positive C. zero D. fixed
12	If there is big change in Price and demand, it is called	A. Arc elasticity B. Point elasticity C. Income elasticity D. Cross elasticity
13	If there is slight change in price and demand, it is called	A. Arc elasticity B. Point elasticity C. Income elasticity D. Cross elasticity
14	If demand decreases by 15% due to 10% increase in Price, then elasticity of demand is	A. Equal to unity B. More than unity C. Less than unity D. Zero
15	If demand decreases by 10% due to 10% increase in Price, then elasticity of demand is	A. Equal to unity B. More than unity C. Less than unity D. Zero

