

TEST

Chapter 3A & 3B

QUESTIONS

SECTIONS

1. Section A - 30 Questions

Section 1 : Section A - 30 Questions

1 Income Elasticity is _____ when quantity demanded increases with increases in income.

- Zero
- Positive
- Negative
- One

Correct: +1

2 When there is _____ change in demand due to small change in price, it is called as perfectly elastic demand

- Small
- Less
- Finite
- Infinite

Correct: +1

3 The government can levy higher tax on commodities having _____ demand in order to increase tax collection.

- Inelastic
- Less
- Finite
- Infinite

Correct: +1

4 Choose Correct Pair : Car & petrol –

- Elastic Demand
- Complementary goods

Correct: +1

5 Choose Correct Pair : Point method –

Geometric Method

Inelastic Demand

Correct: +1

6 Choose Correct Pair : Necessary Goods

Inelastic Demand

Elastic demand

Correct: +1

7 Unitary elastic demand rarely occurs in practices.

True

False

Correct: +1

8 The demand for necessities is inelastic.

True

False

Correct: +1

9 The demand for perishable goods is inelastic.

True

False

Correct: +1

10 Lifesaving medicines generally have a perfectly elastic demand.

True

False

Correct: +1

11 The total expenditure method is also called as total revenue method.

True

False

Correct: +1

12 Commodities which are necessities will not have relatively inelastic demand

True

False

Correct: +1

13 Total expenditure can be obtained by multiplying price with quantity demanded

- True
- False

Correct: +1

14 Flower garlands during Ganesh festival will have relatively inelastic demand

- True
- False

Correct: +1

15 A _____ in demand is shown by shift in the demand curve from left to right.

- Increase
- Variation
- Expansion
- Decreases

Correct: +1

16 Contraction in demand is shown by an _____ movement on the demand curve

- Leftward
- Sideward
- Upward
- Downward

Correct: +1

17 Choose Correct Pair : Demand & Price

- Inverse relation
- Giffen goods
- Distribution of Income

Correct: +1

18 Choose Correct Pair : Tea & coffee

- Joint demand
- Substitute goods
- Indirect demand

Correct: +1

19 Choose Correct Pair : Inferior goods

- Composite demand
- Giffen goods
- Inverse relation

Correct: +1

20 Choose Correct Pair : factors of production

- Distribution of Income
- Indirect Demand
- Joint Demand

Correct: +1

21 Choose Correct Pair : Pen & Ink

- Substitute goods
- Joint Demand
- Inverse relation

Correct: +1

22 Demand will not increase by coming of new customers

- True
- False

Correct: +1

23 When the price of a commodity rises the demand will fall

- True
- False

Correct: +1

24 There is a direct relation between price and demand

- True
- False

Correct: +1

25 The demand for a commodity may change if the price of substitute remains same

- True
- False

Correct: +1

26 Market Demand is the sum total of all individual demand

- True
- False

Correct: +1

27 A consumer always tries to equate marginal utility of commodity with its price

True

False

Correct: +1

28 Individual demand is a demand by single buyer

True

False

Correct: +1

29 Perfectly inelastic demand curve is parallel to Y axis

True

False

Correct: +1

30 Demand for electricity means composite demand

True

False

Correct: +1