

MCQ^s
B.A First Year (Semester I)
Economics
Paper 101 – Micro–Economics

1	According to the Law of Demand, the demand curve for a good will
Answer	slope downward
2	If the price of automobiles were to increase substantially, the demand curve for gasoline would most likely
Answer	Shift leftward.
3	If the price of automobiles were to decrease substantially, the demand curve for public transportation would most likely
Answer	shift leftward
4	An increase in the demand curve for orange juice would be illustrated as a
Answer	Rightward shift of the demand curve.
5	The term “inverse demand curve” refers to
Answer	Expressing the demand curve in terms of price as a function of quantity.
6	If government regulations prohibit the production of a particular good, the demand curve for that good will most likely
Answer	remain unchanged
7	Suppose the demand curve for a good shifts rightward, causing the equilibrium price to increase. This increase in the price of the good results in
Answer	an increase in quantity supplied
8	The expression “increase in quantity supplied” is illustrated graphically as a

Answer	Movement up along the supply curve.
9	The market supply curve is found by
Answer	Horizontally summing all individual supply curves.
10	Technological innovations in the production of computers has led to
Answer	a rightward shift of the supply curve for computers
11	Equilibrium is defined as a situation in which
Answer	neither buyers nor sellers want to change their behavior
12	A competitive equilibrium is described by
Answer	a price and a quantity
13	If pizza and tacos are substitutes, a decrease in the price of tacos would lead to a
Answer	decrease in the quantity demanded of pizza
14	Restricting imports tends to
Answer	Change the shape of the supply curve.
15	A drought in the Midwest will raise the price of wheat because of a
Answer	leftward shift in the supply curve
16	Suppose a market were currently at equilibrium. A rightward shift of the supply curve would cause a
Answer	Decrease in price but an increase in quantity.
17	As the price of good increases, the change in the quantity demanded can be shown by
Answer	Moving up along the same demand curve