

Principles of Economics Icom Part 1 English Medium Chapter 2 Online Test

Sr	Questions	Answers Choice
1	Initial utility of a product is:	A. Highest B. Lowest C. Constant D. All of these
2	Initial utility is _____ individual utilities of all the units	A. More than B. Less than C. Equal to D. None of these
3	Which economist stated that utility is not measurable	A. Adam Smith B. Marshall C. Cannon D. Hicks
4	The term marginal in economics means:	A. An additional unit B. Change in unit C. Last unit D. All of them
5	Human wants are:	A. Limited B. Unlimited C. Re-appear D. Both (b) and (c)
6	Other name of law of equi marginal utility is	A. Law of diminishing marginal utility B. Law of demand C. Law of constant return D. Law of indifference
7	Who said that utility cannot be measured	A. Adam smith B. Marshall C. Keynes D. Hicks
8	Other things remaining the same, marginal utility of a commodity diminishes with its continuous consumption. This law is called	A. Law of diminishing marginal utility B. Law of equi marginal utility C. Law of demand D. Law of decreasing return
9	When marginal utility is positive, total utility	A. Goes on decreasing B. Goes on increasing C. Does not change D. Is zero
10	Which law is applied when marginal utilities of all the purchased goods become equal to each other	A. Law of diminishing marginal utility B. Law of equi marginal utility C. Law of demand D. Law of increasing return
11	Marginal utility at the point of satiety is	A. Zero B. Positive C. Negative D. Initial
12	On which of the following law of diminishing marginal utility is applicable	A. Money and wealth B. Diamonds and jewels C. Goods of fashion D. Necessities of life
13	When total utility is increasing marginal utility is	A. Zero B. Positive C. Negative D. Maximum
14	Consumer goods are those goods which the consumers consume	A. Directly B. Indirectly C. Sometimes D. Never
15	Utility attained by consuming an additional or last unit of a commodity	A. Positive utility B. Negative utility C. Zero utility D. Marginal utility

16	Want of a commodity is satisfied, when its marginal utility is	A. Positive B. Zero C. Negative D. Minimum
17	Law of equi-marginal utility is also known as:	A. Total utility maximizing law B. Law of substitution C. Law of indifference D. All of them
18	Consumer's equilibrium takes place at that point where:	A. MU is negative B. MU is positive C. TU is maximum D. MU is maximum
19	Which law provides the base of law of demand	A. Law of supply B. Law of diminishing marginal utility C. Law of equi marginal utility D. Law of decreasing return
20	Total utility decreases when marginal utility is	A. Positive B. Negative C. Zero D. Maximum