

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

| Sr | Questions | Answers Choice |
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| 1 | The power of a good or service to satisfy a human want is called: | A. Value B. Price C. Utility D. All of them |
| 2 | According to law of diminishing marginal utility, Utility of every new (Additional) unit of commodity | A. Increases B. Decreases C. Remains constant D. None of these |
| 3 | Utility attained by consuming an additional or last unit of a commodity | A. Positive utility B. Negative utility C. Zero utility D. Marginal utility |
| 4 | Human wants are: | A. Limited B. Unlimited C. Re-appear D. Both (b) and (c) |
| 5 | When marginal utility is positive, total utility | A. Goes on decreasing B. Goes on increasing C. Does not change D. Is zero |
| 6 | After achieving point of Satiation the total utility starts | A. Rising B. Declining C. Remains constant D. None of these |
| 7 | 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 |
| 8 | Utility attained by the consumption of first unit of a commodity is called | A. Positive utility B. Negative utility C. Initial utility D. Zero utility |
| 9 | When total utility is decreasing, marginal utility is | A. Zero B. Positive C. Negative D. Maximum |
| 10 | 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 |
| 11 | The price of non-economic want is always: | A. Very high B. Very Low C. Negative D. Zero |
| 12 | According to law of diminishing marginal utility, marginal utility of a commodity | A. Increases B. Decreases C. Remains constant D. Become negative |
| 13 | Total utility decreases when marginal utility is | A. Positive B. Negative C. Zero D. Maximum |
| 14 | Guides finance minister for levying tax on the income of the people | A. Law of demand B. Law of equi marginal utility C. Law of diminishing marginal utility D. Law of supply |
| 15 | Slope of marginal utility curve is | A. Positive B. Negative C. Vertical D. Horizontal |

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| 16 | 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 |
| 17 | Total utility increases when marginal utility is | A. Positive B. Negative C. Zero D. Minimum |
| 18 | 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 |
| 19 | Curve of law of diminishing marginal utility | A. Moves from left to right downward B. Moves from left to right upward C. Firstly it has a tendency to rise up and after a certain limit it starts falling D. It is parallel to ox-axis |
| 20 | Which economist stated that utility is not measurable | A. Adam Smith B. Marshall C. Cannon D. Hicks |