

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

Sr	Questions	Answers Choice
1	Other things remaining the same, marginal utility of a commodity diminishes with its continuous consumption. This law is called	<p>A. Law of diminishing marginal utility B. Law of equi marginal utility C. Law of demand D. Law of decreasing return</p>
2	According to law of diminishing marginal utility, Utility of every new (Additional) unit of commodity	<p>A. Increases B. Decreases C. Remains constant D. None of these</p>
3	Marginal utility curve moves	<p>A. From left to right downward B. From left to right upward C. Parallel to ox axis D. Parallel to oy axis</p>
4	When marginal utility is negative, total utility:	<p>A. Decreases B. Increases C. Does not change D. Negative</p>
5	Feature of a commodity to satisfy human want, is called	<p>A. Value B. Usefulness C. Utility D. Wealth</p>
6	Objective of a rational consumer is	<p>A. To save maximum amount from his limited income B. To buy goods at minimum price C. Best choice from existing economic goods D. To attain maximum utility from the spent amount</p>
7	Total utility decreases when marginal utility is	<p>A. Positive B. Negative C. Zero D. Maximum</p>
8	Law of diminishing marginal utility provides basis for:	<p>A. Law of demand B. Law of equi marginal utility C. Law of supply D. Both (a) and (b)</p>
9	Initial utility of a product is:	<p>A. Highest B. Lowest C. Constant D. All of these</p>
10	Want of a commodity is satisfied, when its marginal utility is	<p>A. Positive B. Zero C. Negative D. Minimum</p>
11	Cardinal utility approach was presented by:	<p>A. Adam smith B. Keynes C. Robbins D. Marshall</p>
12	Utility of the last unit of a commodity consumed is called	<p>A. Positive utility B. Negative utility C. Total utility D. Marginal utility</p>
13	Other name of law of equi marginal utility is	<p>A. Law of diminishing marginal utility B. Law of demand C. Law of constant return D. Law of indifference</p>
14	When marginal utility is positive, total utility:	<p>A. Decreases B. Increases C. Zero D. All of them</p>
		<p>A. Value - - -</p>

15	The power of a good or service to satisfy a human want is called:	B. Price C. Utility D. All of them
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	When total utility is decreasing, marginal utility is	A. Zero B. Positive C. Negative D. Maximum
18	Slope of marginal utility curve is	A. Positive B. Negative C. Vertical D. Horizontal
19	The concept of utility is:	A. Subjective B. Moral C. Objective D. Neutral
20	Which of the following stated that utility is measurable	A. Marshall B. Adam Smith C. Robbins D. Keynes