

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

Sr	Questions	Answers Choice
1	Total utility decreases when marginal utility is	A. Positive B. Negative C. Zero D. Maximum
2	Capital goods are those which can satisfy human wants:	A. Directly B. Indirectly C. Proportionate D. None of these
3	One of the following is not assumption of law of diminishing marginal utility	A. Same nature of the commodity B. Consumption of the commodity with intervals C. Suitable quantity of the commodity D. No change in consumers mental condition
4	Utility is related with	A. Usefulness B. Useless C. Necessities D. Desire
5	Objective of a rational consumer is	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
6	Marginal utility always:	A. Decreases B. Increases C. Zero D. Negative
7	Utility of a commodity is zero, when	A. Want is satisfied upto a certain extent B. Want is fully satisfied C. Utility is positive D. Want is not satisfied
8	When marginal utility is zero, than total utility is:	A. Minimum B. Positive C. Maximum D. Zero
9	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
10	Human wants are:	A. Limited B. Unlimited C. Re-appear D. Both (b) and (c)
11	Initial utility of a product is:	A. Highest B. Lowest C. Constant D. All of these
12	According to law of diminishing marginal utility, marginal utility of a commodity	A. Increases B. Decreases C. Remains constant D. Become negative
13	The concept of utility is:	A. Subjective B. Moral C. Objective D. Neutral
14	Consumer's equilibrium takes place at that point where:	A. MU is negative B. MU is positive C. TU is maximum D. MU is zero

		D. MU is maximum
15	First and basic law of consumption is	A. Law of demand B. Law of decreasing return C. Law of supply D. Law of diminishing marginal utility
16	Cardinal utility approach was presented by:	A. Adam smith B. Keynes C. Robbins D. Marshall
17	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
18	Initial utility is _____ individual utilities of all the units	A. More than B. Less than C. Equal to D. None of these
19	When marginal utility is positive, total utility	A. Goes on decreasing B. Goes on increasing C. Does not change D. Is zero
20	The power of a good or service to satisfy a human want is called:	A. Value B. Price C. Utility D. All of them