

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

Sr	Questions	Answers Choice
1	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
2	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
3	Law of diminishing marginal utility provides basis for:	A. Law of demand B. Law of equi marginal utility C. Law of supply D. Both (a) and (b)
4	Who said that utility cannot be measured	A. Adam smith B. Marshall C. Keynes D. Hicks
5	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
6	Slope of marginal utility curve is	A. Positive B. Negative C. Vertical D. Horizontal
7	When marginal utility is negative, total utility:	A. Decreases B. Increases C. Does not change D. Negative
8	Human wants are:	A. Limited B. Unlimited C. Re-appear D. Both (b) and (c)
9	Total utility increases when marginal utility is	A. Positive B. Negative C. Zero D. Minimum
10	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
11	Utility is related with	A. Usefulness B. Useless C. Necessities D. Desire
12	After achieving point of Satiation the total utility starts	A. Rising B. Declining C. Remains constant D. None of these
13	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
14	Total utility always:	A. Decreases B. 1st increases then decreases C. Maximum D. Negative
		A. Law of diminishing marginal utility B. Law of demand C. Law of supply D. Law of equi marginal utility

15	Which law is applied when marginal utilities of all the purchased goods become equal to each other	B. Law of equi marginal utility C. Law of demand D. Law of increasing return
16	On which of the following law of diminishing marginal utility is applicable	A. Money and wealth B. Historical articles C. Normal goods of need D. Narcotics
17	According to which economist, utility is measurable	A. Marshall B. Adam smith C. Robbins D. Keynes
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	Marginal utility curve moves	A. From left to right downward B. From left to right upward C. Parallel to ox axis D. Parallel to oy axis
20	Utility attained by consuming an additional or last unit of a commodity	A. Positive utility B. Negative utility C. Zero utility D. Marginal utility