

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

Sr	Questions	Answers Choice
1	Marginal utility at the point of satiety is	A. Zero B. Positive C. Negative D. Initial
2	According to law of diminishing marginal utility, marginal utility of a commodity	A. Increases B. Decreases C. Remains constant D. Become negative
3	When total utility is increasing marginal utility is	A. Zero B. Positive C. Negative D. Maximum
4	Total utility always:	A. Decreases B. 1st increases then decreases C. Maximum D. Negative
5	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
6	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
7	Economist who presented the first law of consumption	A. Marshall B. Adam smith C. Robbins D. Pigou
8	Which economist stated that utility is not measurable	A. Adam Smith B. Marshall C. Cannon D. Hicks
9	When total utility is decreasing, marginal utility is	A. Zero B. Positive C. Negative D. Maximum
10	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
11	The name of first law of consumption is	A. Law of demand B. Law of diminishing marginal utility C. Law of equi marginal utility D. Law of supply
12	The term marginal in economics means:	A. An additional unit B. Change in unit C. Last unit D. All of them
13	Total utility increases when marginal utility is	A. Positive B. Negative C. Zero D. Minimum
14	Marginal utility always:	A. Decreases B. Increases C. Zero D. Negative
15	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

16 In mathematics, symbol for utility is used

- A. U
- B. M
- C. X
- D. Y

17 Initial utility of a product is:

- A. Highest
- B. Lowest
- C. Constant
- D. All of these

18 Consumer's behaviour means:

- A. Selection
- B. Purchase
- C. Sale
- D. Both (a) and (b)

19 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

20 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