

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

Sr	Questions	Answers Choice
1	Feature of a commodity to satisfy human want, is called	A. Value B. Usefulness C. Utility D. Wealth
2	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
3	Utility of the last unit of a commodity consumed is called	A. Positive utility B. Negative utility C. Total utility D. Marginal utility
4	When marginal utility is zero, then total utility is	A. Minimum B. Positive C. Maximum D. Zero
5	When marginal utility is positive, total utility	A. Goes on decreasing B. Goes on increasing C. Does not change D. Is zero
6	When marginal utility is negative, then total utility	A. Decreases B. Increases C. Does not change D. Becomes negative
7	In mathematics, symbol for utility is used	A. U B. M C. X D. Y
8	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
9	According to which economist, utility is measureable	A. Marshall B. Adam smith C. Robbins D. Keynes
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	To determine consumer's equilibrium, professor Marshall got help from the law	A. Law of diminishing marginal utility B. Law of equi marginal utility C. Law of demand D. Law of constant return
12	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
13	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
14	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

15	Initial utility is _____ individual utilities of all the units	A. More than B. Less than C. Equal to D. None of these
16	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
17	Which law is applied when marginal utilities of all the purchased goods become equal to each other	A. Law of diminishing marginal utility B. Law of equi marginal utility C. Law of demand D. Law of increasing return
18	Utility is related with	A. Usefulness B. Useless C. Necessities D. Desire
19	Utility attained by consuming an additional or last unit of a commodity	A. Positive utility B. Negative utility C. Zero utility D. Marginal utility
20	Utility attained by all the units of a commodity consumed	A. Positive utility B. Negative utility C. Total utility D. Marginal utility
21	Which of the following stated that utility is measurable	A. Marshall B. Adam Smith C. Robbins D. Keynes
22	Total utility is maximum when marginal utility is	A. Positive B. Negative C. Zero D. Minimum
23	Total utility increases when marginal utility is	A. Positive B. Negative C. Zero D. Minimum
24	Total utility decreases when marginal utility is	A. Positive B. Negative C. Zero D. Maximum
25	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
26	Slope of marginal utility curve is	A. Positive B. Negative C. Vertical D. Horizontal
27	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
28	Economist who presented the first law of consumption	A. Marshall B. Adam smith C. Robbins D. Pigou
29	Which economist stated that utility is not measurable	A. Adam Smith B. Marshall C. Cannon D. Hicks
30	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
31	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

32	Which economist did present, cardinal theory of utility	A. J.M. Keynes B. Karoos C. Cannon D. J.B. Say
33	According to law of diminishing marginal utility, marginal utility of a commodity	A. Increases B. Decreases C. Remains constant D. Become negative
34	Consumer goods are those goods which the consumers consume	A. Directly B. Indirectly C. Sometimes D. Never
35	Want of a commodity is satisfied, when its marginal utility is	A. Positive B. Zero C. Negative D. Minimum
36	When no satisfaction is attained by the consumption of a commodity, its marginal utility is	A. Zero B. Positive C. Negative D. Minimum
37	When total utility is decreasing, marginal utility is	A. Zero B. Positive C. Negative D. Maximum
38	When total utility is increasing marginal utility is	A. Zero B. Positive C. Negative D. Maximum
39	Marginal utility at the point of satiety is	A. Zero B. Positive C. Negative D. Initial
40	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
41	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
42	Concept of law of diminishing marginal utility was presented by professor	A. Marshall B. Robbins C. Keynes D. Pigou
43	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
44	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
45	Utility can not be measurable who has said	A. Marshall B. Hicks C. Pigou D. Adam Smith
46	After achieving point of Satiation the total utility starts	A. Rising B. Declining C. Remains constant D. None of these
47	Consumer's behaviour means:	A. Selection B. Purchase C. Sale D. Both (a) and (b)
48	The concept of utility is:	A. Subjective B. Moral C. Objective D. Neutral
49	The power of a good or service to satisfy a human want is called:	A. Value B. Price C. Utility D. All of them

50	Human wants are:	A. Limited B. Unlimited C. Re-appear D. Both (b) and (c)
51	Cardinal utility approach was presented by:	A. Adam smith B. Keynes C. Robbins D. Marshall
52	The term marginal in economics means:	A. An additional unit B. Change in unit C. Last unit D. All of them
53	Initial utility of a product is:	A. Highest B. Lowest C. Constant D. All of these
54	When marginal utility is positive, total utility:	A. Decreases B. Increases C. Zero D. All of them
55	When marginal utility is zero, than total utility is:	A. Minimum B. Positive C. Maximum D. Zero
56	When marginal utility is negative, total utility:	A. Decreases B. Increases C. Does not change D. Negative
57	Marginal utility always:	A. Decreases B. Increases C. Zero D. Negative
58	Total utility always:	A. Decreases B. 1st increases then decreases C. Maximum D. Negative
59	Capital goods are those which can satisfy human wants:	A. Directly B. Indirectly C. Proportionate D. None of these
60	First law of consumption is known as:	A. Law of supply B. Law of demand C. Law of diminishing marginal utility D. Law of equi marginal utility
61	The decreasing part of TU curve shows:	A. MU is zero B. MU is negative C. MU is increasing D. MU is decreasing
62	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)
63	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
64	TU is maximum where MU of all goods is:	A. Minimum B. Maximum C. Negative D. Equal
65	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
66	One of the following is non economic want:	A. Car B. Bike C. Fan D. Self respect
67	Who said that utility cannot be measured	A. Adam smith B. Marshall C. Keynes

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The price of non-economic want is always:

- A. Very high
- B. Very Low
- C. Negative
- D. Zero