

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

| Sr | Questions   | Answers Choice  |
|----|---|---|
| 1  | The price of non-economic want is always:               | A. Very high<br>B. Very Low<br>C. Negative<br>D. Zero   |
| 2  | Who said that utility cannot be measured                | A. Adam smith<br>B. Marshall<br>C. Keynes<br>D. Hicks   |
| 3  | One of the following is non economic want:              | A. Car<br>B. Bike<br>C. Fan<br>D. Self respect  |
| 4  | Consumer's equilibrium takes place at that point where: | A. MU is negative<br>B. MU is positive<br>C. TU is maximum<br>D. MU is maximum                                    |
| 5  | TU is maximum where MU of all goods is:                 | A. Minimum<br>B. Maximum<br>C. Negative<br>D. Equal   |
| 6  | Law of equi-marginal utility is also known as:          | A. Total utility maximizing law<br>B. Law of substitution<br>C. Law of indifference<br>D. All of them             |
| 7  | Law of diminishing marginal utility provides basis for: | A. Law of demand<br>B. Law of equi marginal utility<br>C. Law of supply<br>D. Both (a) and (b)                    |
| 8  | The decreasing part of TU curve shows:                  | A. MU is zero<br>B. MU is negative<br>C. MU is increasing<br>D. MU is decreasing                                  |
| 9  | First law of consumption is known as:                   | A. Law of supply<br>B. Law of demand<br>C. Law of diminishing marginal utility<br>D. Law of equi marginal utility |
| 10 | Capital goods are those which can satisfy human wants:  | A. Directly<br>B. Indirectly<br>C. Proportionate<br>D. None of these  |
| 11 | Total utility always:                                   | A. Decreases<br>B. 1st increases then decreases<br>C. Maximum<br>D. Negative                                      |
| 12 | Marginal utility always:                                | A. Decreases<br>B. Increases<br>C. Zero<br>D. Negative  |
| 13 | When marginal utility is negative, total utility:       | A. Decreases<br>B. Increases<br>C. Does not change<br>D. Negative   |
| 14 | When marginal utility is zero, than total utility is:   | A. Minimum<br>B. Positive<br>C. Maximum<br>D. Zero  |
| 15 | When marginal utility is positive, total utility:       | A. Decreases<br>B. Increases<br>C. Zero<br>D. All of them   |

