MODEL QUESTIONS

Part-A Multiple Choice Questions

- 1. Pick the odd one out
 - a. Luxuries
 - b. Comforts
 - c. Necessaries
 - d. Agricultural goods
- Choice is always constrained or limited by the _____ of our resources.
 - a. Scarcity
 - Supply
 - c. Demand
 - d. Abundance
- The chief exponent of the Cardinal utility approach was
 - a. J.R.Hicks
 - b. R.G.D.Allen
 - c. Marshall
 - d. Stigler
- Marginal Utility is measured by using the formula of
 - a. TUn-TUn-1
 - b. TUn-TU_{n+1}
 - c. TU_n+TU_{n+1}
 - d. TU_n-TU_{n+1}
- When marginal utility reaches zero, the total utility will be
 - a. Minimum
 - b. Maximum
 - c. Zero
 - d. Negative

- 6. Gossen's first law is known as.
 - a. Law of equi-marginal utility.
 - Law of diminishing marginal utility
 - c. Law of demand.
 - d. Law of Diminishing returns.
- The basis for the law of demand is related to
 - Law of diminishing marginal utility
 - b. Law of supply
 - c. Law of equi-marginal utility.
 - d. Gossen's Law.
- The concept of consumer's surplus is associated with
 - a. Adam Smith
 - b. Marshall
 - c. Robbins
 - d. Ricardo
- Given potential price is Rs.250 and the actual price is Rs.200. Find the consumer surplus.
 - a. 375 b. 175
 - c. 200 d. 50
- Indifference curve approach is based on
 - a. Ordinal approach
 - b. Cardinal approach
 - c. Subjective approach
 - d. Psychological approach