[MODEL QUESTIONS]

Part-A Multiple Choice Questions

1. Pick the odd one out
   a. Luxuries
   b. Comforts
   c. Necessaries
   d. Agricultural goods

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2. Choice is always constrained or limited by the _____ of our resources.
   a. Scarcity
   b. Supply
   c. Demand
   d. Abundance

3. The chief exponent of the Cardinal utility approach was
   a. J.R.Hicks
   b. R.G.D.Allen
   c. Marshall
   d. Stigler

4. Marginal Utility is measured by using the formula of
   a. TU_n-TU_{n-1}
   b. TUn-TU_{n+1}
   c. TU_n+TU_{n+1}
   d. TU_n-TU_{n+1}

5. 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.
   b. Law of diminishing marginal utility
   c. Law of demand.
   d. Law of Diminishing returns.

7. The basis for the law of demand is related to
   a. Law of diminishing marginal utility
   b. Law of supply
   c. Law of equi-marginal utility.
   d. Gossen's Law.

8. The concept of consumer's surplus is associated with
   a. Adam Smith
   b. Marshall
   c. Robbins
   d. Ricardo

9. 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

10. Indifference curve approach is based on
    a. Ordinal approach
    b. Cardinal approach
    c. Subjective approach
    d. Psychological approach

LIVEWORKSHEETS