

CFA® SAMPLE QUESTION – LEVEL I

Economics

Q: The Law of Diminishing Marginal Utility states that:

CORRECT ANSWER:

- (b) additional satisfaction derived from consuming successive units of a product eventually declines**

The law of diminishing marginal utility is a law of economics stating that as a person increases consumption of a product, while keeping consumption of other products constant, there is a decline in the marginal utility that person derives from consuming each additional unit of that product.

The other choices are related to other economic terms definitions.



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