

PRINCIPLES OF ECONOMICS

B. Com Hons Part-I

TOPIC - Exception of law of Diminishing Marginal utility

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Exceptions to the law of Diminishing Marginal utility.

① In Hobbies :-

Such hobbies as collection of old paintings, coins, stamps, old glasses offer an exception to the law of diminishing marginal utility. Greater the collection of a person, greater is the desire to acquire additional units of these consumpti commodities.

② Habitual Habits :-

If consumers are habituated of some commodities (liquor, smoking). The marginal utility of liquor instead of decreasing actually rises with increased consumption.

③ Collection of money :-

This law does not apply to money. The more money a person has, the greater is the desire to acquire more and more of it.

④ An music and poetry :-

The more music one hears, the more literature one reads the greater is the utility. More reading lifts a person to a higher plane and he is able to appreciate and enjoy literature better than he could do so before.