CLASS –XII (MICRO) (UNIT II) SUBJECT -ECONOMICS
ASSIGNMENT- 5 TOPIC – Utility

1. Distinguish between TU & MU.
2. Show that the TU is maximum when MU is zero. Use schedule & diagram.
3. How does TU change with the change in MU of a commodity? Explain.
4. What is meant by consumer's equilibrium? State the conditions of the consumers' equilibrium under Utility analysis for two commodities.
5. Explain the law of diminishing marginal utility with the help of schedule & diagram.
6. Explain why consumer's equilibrium is attained when MU of a product in terms of money is equal to its price?

   Numericals
7. A person's total utility schedule is given below. Derive his marginal utility schedule.

Amt consumed:	0	1	2	3	4	5
Total Utility:	0	10	25	38	48	55

8. A person's MU schedule is given below. Derive his TU schedule. (Assume TU of consuming zero units is zero)

Amt consumed:	1	2	3	4	5	6
Marginal Utility:	7	10	8	6	3	0

9. The following is the utility schedule of a person:

Amt consumed:	1	2	3	4	5
Marginal Utility:	50	40	30	20	10

   Suppose that the commodity is sold for Rs 3. Suppose further that for him the MU of one rupee is 10, how many units of the commodity will the person purchase so that his TU is maximized?
10. Complete the following table:

Amt consumed:	1	2	3	4	5
Total Utility:	50	90	__	140	150
Marginal Utility:	50	__	30	__	__

11. Suppose price of commodity is Rs 8 and Marginal Utility schedule in terms of money for 4 units is given below

Units consumed:	1	2	3	4
Marginal Utility	12	10	8	6

    How many units of the commodity are purchased by the consumer if his TU is maximized?