

Answer all questions below

Check Your

Understanding

1. Explain the difference between total utility and marginal utility using as an example a person drinking cans of soft drinks.
2. Copy Figure 5.15 into your notebook. Fill in the missing values.
3. a) Enrique is willing to go to one movie a month if the price is \$10, two if the price drops to \$8, and three if the price drops further to \$6. If the price of a movie is set at \$8, what is Enrique's consumer surplus?
b) On a graph, draw Enrique's demand curve for movies, and shade in the area of his consumer surplus.

Units Consumed	Total Utility	Marginal Utility
0	0	—
1	6	6
2	—	8
3	24	—
4	34	—
5	—	8
6	48	—

Figure 5.15 Fill in the missing values.