

Name: _____

Period: _____

Unit 6: The Relationship between Total and Marginal Utility

For each of the following scenarios, explain whether TU will...

go up, remain constant, go down

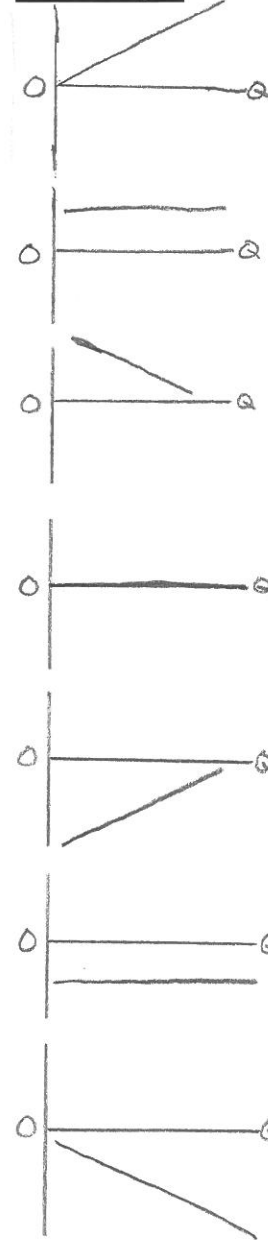
and

at an increasing, constant, or decreasing rate

Also, sketch a simple TU and MU graph to depict each scenario.

- MU is + and is increasing
TU will *go up at an increasing rate*
- MU is + and is constant
TU will *go up at a constant rate*
- MU is + and is decreasing
TU will *go up at a decreasing rate*
- MU is 0
TU will *remain constant at zero or whatever the previous MU was*
- MU is - and is increasing (closer to 0)
TU will *go down at a decreasing rate*
- MU is - and is constant
TU will *go down at a constant rate*
- MU is - and is decreasing (further from zero)
TU will *go down at an increasing rate*

MU Graph



TU Graph

