Lesson: 2 & 3 - 4 & 5

(0) Complete the following table:

Amount Consumed	1	2	3	4	5
Total utility	50	90	?	140	150
Marginal utility	50	?	30	?	?

Q. 2. Ice cream sells for ₹ 20. Mohini who likes ice cream, has already consumed 4. Her marginal utility of one rupee is 4. Should she consume more ice cream or stop the consumption? **[NCERT] 4**

Q. 3. Satish has ₹ 88 with him. He intended to purchase goods X and Y with his money. The market price of X and Y per unit is ₹ 8. The marginal utility schedule of good X and Y is given below. Find out how many units of X and Y should Satish purchase so that he will get maximum satisfaction? **3**

Units of Commodity	MU of X	MU of Y
1	80	40
2	72	36
3	64	24
4	56	20
5	48	16
6	40	12
7	32	8
8	24	4
9	16	0
10	8	0

Q. 4. From the following table prepare demand schedule for household B, given demand schedule of household A, C and market demand schedule. **3**

Price (₹)	Household A	Household B	Household C	Market Demand
7	6	–	11	26
6	8	–	16	36
5	12	–	22	51
4	17	–	30	71
3	24	–	42	98

Q. 5. Demand schedule for three consumers such as Mohan, Rohan and Mitu for a commodity is given below. Derive the market demand schedule. **[NCERT] 3**

Price	Demand Schedule of Mohan	Demand Schedule of Rohan	Demand Schedule of Mitu
1	60	55	24
2	50	40	13
3	40	25	5
4	30	10	0
5	20	0	0

Q. 6. If Mitu is dropped out of the market, what will be new market demand schedule. **[NCERT] 1**

Q. 7. **(i)** Price of the commodity X falls from ₹ 5 per kg to ₹ 4 per kg and the demand of consumer A for it rises from 4 kg to 6 kg. Express your opinion regarding the nature of elasticity of commodity X using total expenditure method.

(ii) If there will be no change in quantity demanded of commodity X, what will be the nature of price elasticity? **4**

4	30 + 10 + 0 = 40
5	20 + 0 + 0 = 20