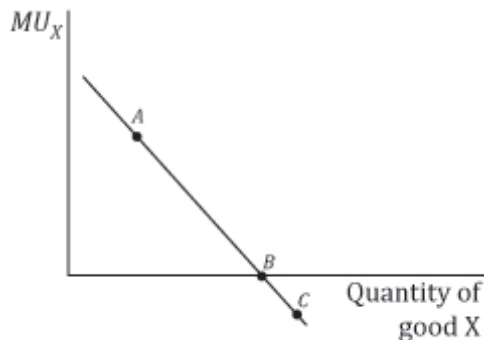


Relationship between total utility and marginal utility

- 1) Diminishing marginal utility means that, as the consumer increases her consumption of a good,
- A) total utility decreases.
 - ☒ C) total utility increases at a decreasing rate.
 - B) total utility decreases at an increasing rate.
 - D) total utility is negative.
- 2) In the total utility function, diminishing marginal utility occurs in a range where:
- ☒ A) total utility is increasing.
 - B) total utility is decreasing.
 - C) total utility is negative.
 - D) total utility is constant.
- 3) Which of the following statements is correct?
- A) Total utility is the slope of the marginal utility function.
 - ☒ B) Marginal utility is the slope of the total utility function.
 - C) Total utility and marginal utility have the same slope values.
 - D) If utility is subject to diminishing returns, then marginal utility is constant.
- 4) Which of the following statements is correct?
- A) Marginal utility is the sum of total utility.
 - ☒ B) Total utility is the sum of marginal utilities.
 - C) To obtain total utility, we multiply the marginal utilities.
 - D) To obtain marginal utility, we divide total utility by marginal utility.
- 5) When total utility increases at a decreasing rate, marginal utility:
- A) is negative.
 - ☒ B) is positive and decreasing.
 - C) also increases at a decreasing rate.
 - D) decreases at an increasing rate.
- 6) When total utility is maximum, marginal utility is:
- A) maximum.
 - B) minimum.
 - ☒ C) zero.
 - D) decreasing.



- 7) Refer to the figure above. Which point yields more total utility?
- A) Point A.
 - ☒ B) Point B.
 - C) Point C.
 - D) Both A and B.
- 8) Refer to the figure above. A move from point A to point B in this figure is associated with:
- A) total utility increasing at an increasing rate.
 - ☒ B) total utility increasing at a decreasing rate.
 - C) total utility decreasing at a decreasing rate.
 - D) total utility decreasing at an increasing rate.
- 9) Refer to the figure above. To increase total utility, the consumer's best move would be:
- ☒ A) From A to B.
 - B) From B to C.
 - C) From A to C.
 - D) From B to A.