Answer on Question #64013, Economics / Other

QX	PX	TUX	MUX	MUX/PX	MUY/PY	MUY	TUY	PY	QY
1	5	40	40	8	5	10	10	2	1
2	4	60	20	5	3	6	16	2	2
4	3	90	30	10	3	6	22	2	3
5	2	95	5	2,5	2,5	5	27	2	4

a. To fill up gaps for marginal utilities and marginal utility per additional dollar for good x and good y in the above table we should know that MU = TU2 - TU1.

b. The consumer equilibrium is found using the condition: MUX/PX = MUY/PY. When the consumer consumes 5 units of x and 4 unit of y, the equilibrium condition is satisfied. This combination of x and y is the stable consumption level for this consumer. Once the consumer achieves this combination, he does not like to move away – no substitution needed to be made unless there is a change in budget.

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