

**WORKSHEET – 2**  
**CLASS – XII COMMERCE**  
**SUBJECT: ECONOMICS**

Que1: A consumer consumes only two goods x and y. At a consumption level of these two goods, he finds that the ratio of marginal utility to price in case of x is higher than in case y. Explain the reaction of the consumer.

Que2: Explain the law of diminishing marginal utility with the help of total utility.

Que3: Explain the relationship between total utility and marginal utility.

Que4: By spending his entire income only on two goods x and y a consumer finds that

$$\frac{\text{Marginal utility of x}}{\text{Price of x}} > \frac{\text{marginal utility of y}}{\text{price of y}}$$

Que5: Define utility.