

CHAPTER- CONSUMER EQUILIBRIUM

GTSE			Self Evaluation Grades			
Sr.No.	Topic	Sub-Topic [®]	Date			
1	Consumer	(i) Meaning				
2	Consumer Equilibrium	(i) Definition				
3	Theories of Consumer's Equilibrium	(i) Cardinal Utility Analysis				
		(ii) Ordinal Utility Analysis				
		(iii) Revealed Performance Analysis				
4	Cardinal Utility Analysis	(i) Definition				
		(ii) Concept of Utility				
		-Initial Utility				
		-Marginal Utility				
		-Total Utility				
		(iii) Relation between MU And TU				
5	Laws of Cardinal Utility	(A) Law of Diminishing Marginal Utility				
		(i) Importance				
		-Basis of Law of Consumption				
		-Basis of variety in Production and Consumption				
		-Helpful in price determination				
		-Basis of progressive taxation				
		-Basis of economic and social Equity				
		-Importance to consumer				
		(B) Law of Equi-Marginal Utility				
		(i) Importance to consumer				
		-Importance to consumption				
		-Importance to production				
		-Importance in exchange				
		-Importance in distribution				
		-Distribution of investment among different assets				
6	Assumptions of Law of DMU	(i) Rational consumer				
		(ii) Measurement of utility				
		(iii) Assumption utility				
		(iv) MU of money remains constant				
		(v) No change in consumer preference				
		(vi) No change in consumer income				
		(vii) No change in prices				
		(viii) Perfect knowledge				
7	Determination of Consumer's Equilibrium	(i) Only one commodity				
		-Only one commodity , only one use				
		-Only one commodity , But several uses				
		(ii) Only two commodities				
8	Conditions of Consumer Equilibrium under Marginal (Cardinal) Utility Analysis	(i) Explanation				

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CTSE			Self Evaluation Grades			
Sr.No.	Topic	Sub-Topic	Date			
9	Criticism/Limitations of Law of DMU	(i) Every consumer is not a rational				
		(ii) Utility a subjective concept				
		(iii) Assumption of utility				
		(iv) MU of money remains constant				
		(v) No change in consumer preference				
		(vi) No change in consumer income				
		(vii) No change in prices				
		(viii) Lack of perfect knowledge				
		Signature of Student				
		Signature of Mentor/Teacher				
Key To Grades			This self Evaluation sheet has four date columns. Student shall fill grades to all topics in one date column in a sitting. By the fourth attempts, all grades should be 'A' for getting best marks in exams.			
Write 'A' if you know the concept fully (when you know 100%)						
Write 'B' if you need revision once (when you know between 75%-100%)						
Write 'C' if you know the concept partially (when you know about 50%)						
Write 'D' if you know the concept very little (when you know about 25%)						
Write 'E' if you don't know the concept at all (when you know 0%)						



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