

- 4** A consumer maximises his total utility by initially buying 10 units of good X and 10 units of good Y.

Assuming both goods are normal, what would cause this utility-maximising consumer to purchase more of good Y and less of good X?

- A** an increase in the marginal utility of good Y
- B** an increase in the price of good Y
- C** an increase in the tax on the consumption of good Y
- D** an increase in the tax on the income of consumers

- 5** The table gives the marginal utility of two goods, X and Y. The price of good X is \$2.00 and the price of good Y is \$1.00.

quantity	marginal utility of good X	marginal utility of good Y
1	110	66
2	80	50
3	66	38
4	56	33
5	33	30

If a consumer spends all of their income on goods X and Y, which combination of goods would they choose to maximise their utility?

- A** 1 unit of X and 1 unit of Y
- B** 3 units of X and 1 unit of Y
- C** 3 units of X and 4 units of Y
- D** 5 units of X and 1 unit of Y