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The Common Sense of Consumer Choice
LEARNING OBJECTIVES
After completing the material in this chapter you should be able to:
effects of a price change.
IMPORTANT TERMS AND CONCEPTS
Diamond-water paradox
Marginal analysis
Total utility
Marginal utility
Diminishing marginal utility
Optimal purchase rule (P = MU)
Scarcity and marginal utility
Inferior goods
Income effect
Substitution effect
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