1.29 Exam Technique: Extended Essays on Rational Choice and Utility Theory: Test Pack

AQA 7136 · Calculators not allowed · about 30 minutes

Total Marks

Name: _____ Date: ____ / ____ / _____

Answer all questions. Show any planning for essays clearly.

1 Microtechnique checkpoint: State in one sentence the difference between a substantive evaluative point and a critique that merely restates a limitation. Provide one example evaluative sentence about MU theory.

(Total for Question 1 is 3 marks)

2 Technique short task: Plan a 6-mark paragraph for an essay on deriving demand from marginal utility when price rises. Provide three numbered sentences that form the paragraph's core analytical chain.

(Total for Question 2 is 1 mark)

© Revision Library | revisionlibrary.co.uk

3 Command-word discrimination task in the context of utility theory: below are three AQA-style question stems. For each stem, state which command word is best suited from Describe, Analyse, Discuss or Evaluate, and give one sentence explaining what a candidate must do to meet that command word in an essay about utility.

(a) Stem A: "Explain how the law of diminishing marginal utility leads to a downward-sloping individual demand curve." Decide the best command word and give one-sentence justification for that command word in this utility context. **(2)**

(b) Stem B: "Assess the usefulness of marginal utility theory for explaining real-world consumer choice." Decide the best command word and give one-sentence justification. **(2)**

(c) Stem C: "Describe how a consumer would allocate income between two goods to maximise utility." Decide the best command word and give one-sentence justification. **(2)**

(Total for Question 3 is 6 marks)

---

4 Mini-evaluation ticklist: Give two short checklist criteria, each in one sentence, that you would use when deciding whether to include a diagram in your 20-mark essay answer about utility theory and policy.

(Total for Question 4 is 3 marks)

© Revision Library | revisionlibrary.co.uk

5 Exam technique quick-win: briefly state two distinct evaluation points (one behavioural, one methodological) that would strengthen an essay criticising the rational economic man assumption. Each point in one short sentence.

(Total for Question 5 is 2 marks)

---

6 Diagram technique: In the context of marginal utility deriving demand, describe exactly what a correct labelled diagram must show to earn full diagram marks in an essay. Give three checklist points a marker would look for.

(Total for Question 6 is 3 marks)

---

7 Short application task: Give one brief real or hypothetical example, in one sentence, where marginal utility theory will badly mispredict consumer behaviour. Name the empirical phenomenon and why MU fails.

(Total for Question 7 is 2 marks)

© Revision Library | revisionlibrary.co.uk

Mark scheme · 1.29 Exam Technique: Extended Essays on Rational Choice and Utility Theory: Test Pack

Question 1

one-sentence definition: substantive evaluation weighs significance, scale or policy consequences, whereas restating a limitation simply notes a weakness without judging its impact — **B1**

gives an example evaluative sentence about MU, e.g. 'Although MU assumes optimisation, experimental evidence suggests biases are small in many market choices, so MU remains a useful first-order policy guide in those markets' — **B1**

shows why this is evaluative: it assesses magnitude and policy implications rather than just stating the existence of bias — **B1**

Question 2

three coherent numbered sentences that form a valid analytical chain, for example: 1) MU falls as consumption increases; 2) consumers compare MU per pound across goods, so a price rise lowers MU per pound for that good; 3) consumers substitute away, causing quantity demanded to fall — **B1**

Question 3

(a) correctly assigns the stem to Analyse or Explain, here Analyse is acceptable but AQA-style prefers Analyse when asking for mechanisms — **B1**

(a) one-sentence justification stating the candidate must unpack the causal mechanism linking marginal utility to price and quantity demanded, not simply define terms — **B1**

(a) Answer: Best command word: Analyse. Justification: the answer must unpack the causal mechanism by which marginal utility falls as consumption rises and how that implies consumers buy less at higher prices, showing steps of reasoning.

(b) correctly assigns the stem to Evaluate or Assess, here Evaluate is the best fit — **B1**

(b) one-sentence justification noting that the candidate must weigh strengths and limitations and reach a supported judgement — **B1**

(b) Answer: Best command word: Evaluate. Justification: the answer must weigh the strengths and limitations of marginal utility theory and reach a supported judgement about its real-world usefulness.

(c) correctly assigns the stem to Describe or State, here Describe is appropriate — **B1**

(c) one-sentence justification saying the candidate should outline the conditions for utility maximisation, e.g. MU per pound equalisation, without deep evaluative judgement — **B1**

(c) Answer: Best command word: Describe. Justification: the answer should outline how income is allocated to equalise marginal utility per pound across goods, presenting the rule and brief steps of the allocation process.

Question 4

first criterion: 'Include a diagram if it clarifies the mechanism you discuss, for example showing movement along a demand curve or the income effect, and you can annotate it to support your analysis.' — **B1**

second criterion: 'Avoid a diagram if it would be superficial or distract from more important empirical evaluation, or if you cannot label and link it to your argument within the time available.' — **B1**

marks the explicit judgement that the decision depends on clarity and time trade-off — **B1**

Question 5

behavioural point stated, e.g. 'Present bias means consumers overvalue immediate consumption so intertemporal utility maximisation fails in many real decisions.' — **B1**

methodological point stated, e.g. 'Cardinal measurement of utility is unrealistic, making interpersonal welfare comparisons and MU-based policy prescriptions problematic.' — **B1**

Question 6

axes clearly labelled Price (vertical) and Quantity (horizontal) — **B1**

a clearly drawn downward-sloping demand curve with at least one movement along it labelled and annotated — **B1**

an annotation or arrow linking a rise in price to the corresponding lower quantity demanded with reference to falling marginal utility per unit — **B1**

Question 7

identifies a phenomenon, e.g. 'Addictive goods like cigarettes: consumers continue buying despite falling MU because of addiction and time-inconsistent preferences.' — **B1**

briefly explains why MU fails, e.g. 'MU ignores present bias and habit formation that sustain demand despite price increases.' — **B1**

© Revision Library | revisionlibrary.co.uk