

Marginal rate of substitution,  $mrs(x, y)$

$r_{\max}$

$r_{\max}$  = Maximum  
Willingness to Pay

$$mrs(x, y) = r_{\max} - \left( \frac{r_{\max}}{x_{\max}} \right) x$$

$x_{\max}$  = Point  
of Satiation

$x_{\max}$

Quantity of the good,  $x$

