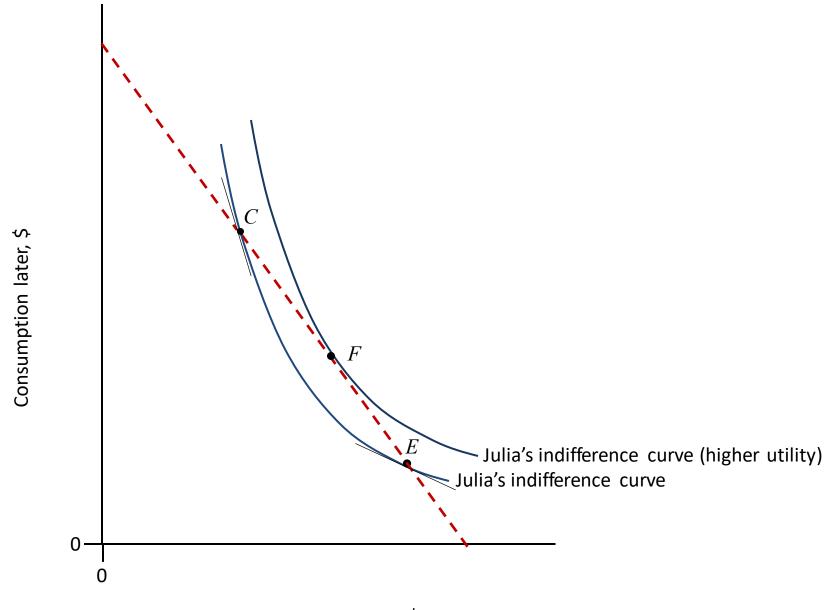
Figure 10.3a. Consumption smoothing: Diminishing marginal returns to consumption.



Consumption now, \$