

Finger Exercises due Sep 25, 2024 07:30 CST Completed

1.1

1/1 point (graded)

Fill in the blanks. A(n) \_\_\_\_ utility function gives us a number, and a(n) \_\_\_\_ utility function just gives us a ranking.

☒ cardinal; ordinal

☐ ordinal; cardinal



Explanation

A cardinal utility function gives an exact number measured in “utils”. An ordinal utility function provides a “ranking” or “preference ordering” over bundles.

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You have used 1 of 1 attempt

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**i** Answers are displayed within the problem

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1.2

1/1 point (graded)

True or False? "Bundle A gives me 100 utils", this is an ordinal utility function.

☐ True

☒ False



Explanation

This description gives a number of utility measured in utils. There is no ranking or preference between bundles. Therefore, it is a cardinal utility function.

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You have used 1 of 1 attempt

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**i** Answers are displayed within the problem

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1.3

1/1 point (graded)

Which utility function is unit-free?

☐ Cardinal utility function.

☒ Ordinal utility function.

☐ Both of them.

☐ Neither of them.



#### Explanation

The ordinal utility function is unit-free in that it provides a “ranking” or “preference ordering” over bundles. It is more commonly used in demand/consumer theory than the cardinal utility function.

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Why Cardinal utility function isn't unit free ?



question posted 2 months ago by [ponny35](#)



I have question on Q.1.3 but need to mention an answer on Why Cardinal utility function isn't unit free ? I will come back after deadline to finish my question



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**Faamuo** (Community TA)



2 months ago - marked as answer 2 months ago by [ponny35](#)



Hi Ponny35,

I look at it in terms of ranking rather than size of the utility. The ranking informs on which good is preferred to the other rather than how big is the utility of one good than the other.

Sorry for late reply, Yeah I understand on Ordinal utility that ranking don't have unit. but on my question Cardinal utility function why it isn't unit free too On 14.100x Microeconomics class that I took last semester didn't mention on that and when we do any calculation we just said Pizza give me utility of 2 that it.



posted 2 months ago by [ponny35](#)

Hi ponny35,

Cardinal utility functions measure utility in "utils". In your example, it will be "Pizza give me utility of 2 utils". Thus, a cardinal utility function is not unit-free.

posted 2 months ago by [cebbina](#) (Staff)



I see thank a lot.



posted 2 months ago by [ponny35](#)

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**jmeans**

2 months ago



Pretty sure I have the same question.

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