* According to Boulding "The marginal utility of any commodity is the increase in total utility which results from a unit increase in consumption.

$$MU_n = TU_n - TU_{(n-1)}$$

Where MU_n = Marginal utility
TU_n = Total utility drawn from 'n' units.
TU_n = Total utility from (n-1) units.

** # Relation between marginal utility and TU.

* In initial stage, total utility and marginal utility both are positive,

* When the successive units of a commodity are consumed, total utility increased at decreasing rate.

* Marginal utility decreases with increase in consumption. After a point it becomes zero and afterward It becomes negative.

* When MU is zero, total utility is maximum.

* When marginal utility becomes negative, total utility starts declining.

* Second law of Gossen - Law of Equi-marginal utility.

* At the point of satiety, marginal utility is zero.
* Utility is a psychological concept.
* Utility varies with different persons.
* Utility carries no moral significance.
* Average utility equals total utility ÷ quantity demand.
* According to Marshall, utility is a quantifiable entity.
* The price of a commodity is related with to its marginal utility not total utility.
* The total utility of a diamond may be low but its marginal utility is very high due to less availablity.
* Marginal utility curve is the demand curve of a commodity.
* Utility implies expected satisfaction.
* Cardinal approach — prof. Marshall.
* Ordinal approach — Allen and Hicks
* Consumer's equilibrium — maximum satisfaction