

YouTube Title: "Kobayashi vs Giant Bear" http://www.youtube.com/watch?v=HgqbCq_sxmo

Video Length: 4:39 minutes

Chapter 19: Consumer Choice, p. 412

Topic: The Demand Curve, p. 415

Key Terms: Utility, marginal utility, total utility, law of diminishing marginal utility

Learning Objective 1: How consumers maximize utility.

Summary

This is a shortened version of an event from a Fox special called Man vs. Beast. In this show, men with extraordinary talents compete in various events against animals. In this particular event a Kodiak brown bear and a Japanese eating champion compete by racing to eat a massive plate of hot dogs. While the man is able to eat a lot more hotdogs than the average person, the bear wins the competition.

Economic Application

The utility the bear and man receive from each hotdog consumed in this competition is very different. The man is hungry at first so he gets the greatest marginal utility from the first hotdog. As he eats several hotdogs his stomach begins to fill up resulting in a diminishing marginal utility. When he is no longer hungry, the hotdogs begin to create negative marginal utility because they give him a stomach ache. By the end of the competition, it is likely that the total utility is also negative because he has a painful stomach ache. The utility of each successive hotdog is greatly different for the bear. While the first hotdog for the bear also has the greatest marginal utility, the last hotdog is still filling up the bear's stomach offering positive marginal utility. The result is a positive total utility for the bear from consuming the whole plate of hotdogs. The Law of Diminishing returns is displayed by both competitors because the first hotdog has a greater worth than the last.

Multiple-Choice Question

Is the marginal utility negative, positive or zero for the last hotdog consumed by the man and bear?

- a) Man: Negative, Bear: Positive
- b) Man: Negative, Bear: Zero
- c) Man: Zero, Bear Positive
- d) Man: Positive, Bear: Negative

Discussion Question

Describe how the marginal utility of each hotdog changes for both the man and the bear as they consume the plate of hot dogs.