

Some Commonly Used Utility Functions (a reference table for you)

Function $U(X,Y)$	$MU_X(x,y) = \frac{\partial U}{\partial X}$	$MU_Y(x,y) = \frac{\partial U}{\partial Y}$	$MRS_{xy}(X,Y) = -\frac{\partial y}{\partial x} = \frac{MU_X(x,y)}{MU_Y(x,y)}$
$2x+3y$	2	3	-2/3
$4x+6y$	4	6	-2/3
$ax+by$	a	b	-a/b
$2x^{1/2}+y$	$1/x^{1/2}$	1	$-1/x^{1/2}$
$\ln(x)+y$	$1/x$	1	$-1/x$
$v(x)+y$	$v'(x)$	1	$-v'(x)$
xy	y	x	$-y/x$
$x^a y^b$	$ax^{a-1}y^b$	$bx^a y^{b-1}$	$-ay/bx$
$(x+2)(y+1)$	y+1	x+2	$-(y+1)/(x+2)$
$(x+a)(y+b)$	y+b	x+a	$-(y+b)/(x+a)$
x^a+y^a	ax^{a-1}	ay^{a-1}	$-(x/y)^{a-1}$

1. Cob-Douglas utility function is $U(x,y) = x^a y^b$. For Cob-Douglas utility function:

If $(a+b) < 1$ decreasing returns to scale

If $(a+b) > 1$ increasing returns to scale

If $(a+b) = 1$ constant returns to scale

Economists love to use the function $x^a y^{1-a}$ (which is constant returns to scale Cob-Douglas)

2. Any two utility functions which are monotonic increasing transformations describe the same preference relation

Examples

2.1 $U = XY$ and $U = 3XY - 10$ represent identical preferences

2.2 $U = X^a Y^b$ and $U = a \ln X + b \ln Y$ represent identical preferences as well