

Discussion Questions on Consumer Choice

First read “The Deadweight Loss of Christmas” (in the bulkpack), then think about these questions prior to class.

1. Who is best able to know what goods choice will make a particular person (say, Sally) as happy as possible?
 - a. What is the “economics textbook” answer?
 - b. What do you think?
2. How can we think about gift-giving in an economic context?
 - a. What does it look like in an indifference curve diagram
 - b. Is gift-giving efficient? Explain.
3. Are you comfortable with this analysis of gift giving? (Are you a heartless, unsentimental beast?) Explain.
4. What existing or potential business opportunities does this analysis of the efficiency of gift giving suggest?
5. What other comments you have about any of this?