






OCR Economics AS-level **Microeconomics**

Topic 2: How Competitive Markets Work 2.2 The objectives of economic agents

Notes



-  **Maximisation** for consumers is when consumers aim to generate the greatest utility possible from an economic decision. Firms aim to generate the highest profits possible.
-  A consumer's utility is the total satisfaction received from consuming a good or service.
-  It is assumed that economic agents only act in their own interests.
-  Some firms might have philanthropic owners who seek to maximise the utility of others.
-  Governments are elected and act on behalf of consumers. Governments may intervene to different extents in an economy. For example, some might provide healthcare and education, whilst others might leave healthcare to the free market. In the UK, healthcare is provided by the government, whilst in the US, healthcare is provided by the private sector.

