

ASSIGNMENT

1. Explain the concept of indifference curve. What is the significance of indifference curve analysis in real practice?
2. What is consumer substitution? On which principle the substitution effect is based ?
3. Explain the two concepts of substitution effect. How do they differ from each other?
4. What is Price consumption curve? Explain why and how the price consumption curve takes different shapes?
5. What is budget line? How do the budget line influence consumer behaviour?