[Summary]

Consumer Equilibrium

Subject:	Business Economics
Course:	B. A., 1st Semester, Undergraduate
Paper No. & Title:	Paper – 101 Microeconomics – I
Unit No. & Title:	Unit – 2 Consumer Equilibrium: Analysis of Indifference Curve
Lecture No. & Title:	Lecture – 3 Consumer Equilibrium: Analysis of Indifference Curve

Summary

Consumer equilibrium is a situation where a consumer attains maximum satisfaction out of the consumption of given goods. The indifference curve analysis explains how maximum satisfaction could be achieved with given prices of goods and a given budget for the purchase of such goods. The application indifference approach is based on certain assumptions and conditions. Indifference curves are used extensively to examine the price effects, income effects and substitution of effects on consumer behaviour.