



[Glossary]

The Revealed Preference Theory

Subject:	Business Economics
Course:	B.A., 1st Semester, Undergraduate
Paper No. & Title:	Paper – 101 Microeconomics - I
Unit No. & Title:	Unit – 2 Consumer Demand: The Revealed Preference Theory
Lecture No. & Title:	Lecture – 5 The Revealed Preference Theory

Glossary

Price line

A set of two different goods which can be purchased with given income on the basis of prices, the curve showing this is called price line.

Real income

The income of the individual after deducting the inflation effect.

Revealed preference

When consumer is showing his/her preference is called revealed preference.

Strong order

When consumer is strongly preferring the good and making decision of choosing one over others is called strong ordering.

Weak order

When consumer is not preferring any of the goods over other or he is indifferent among the choice is called weak order.