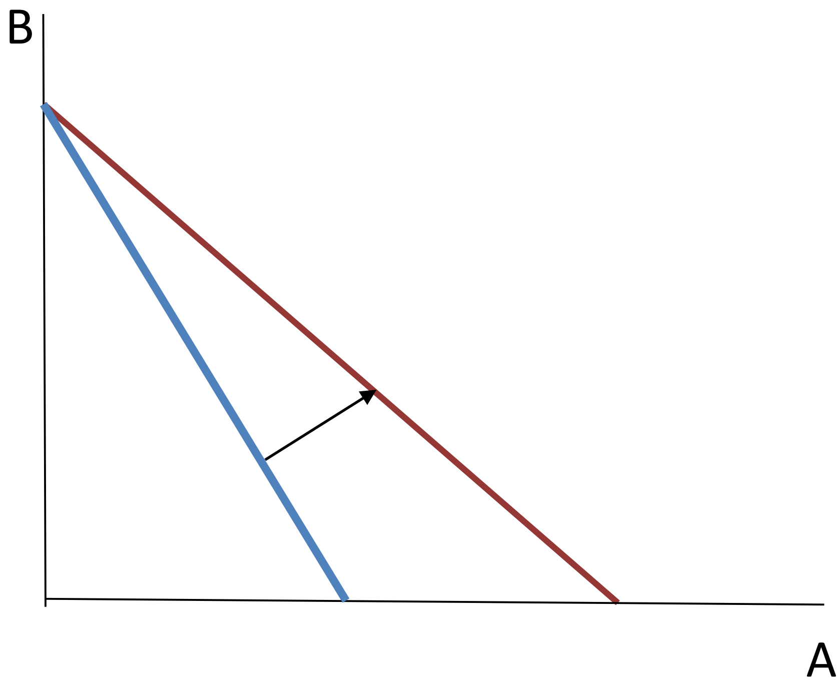
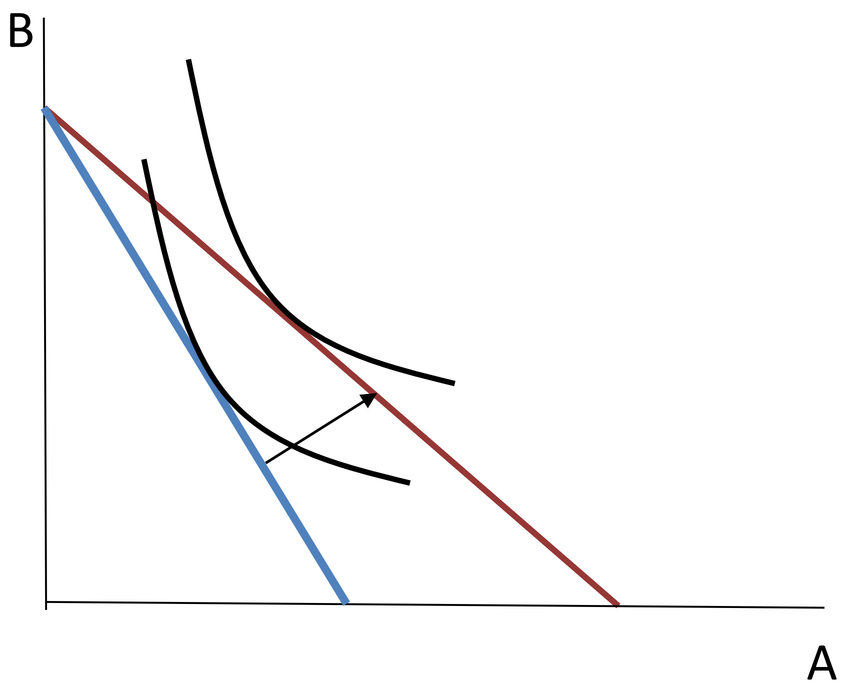
1a. Which could be the (sole) explanation for the change in budget constraint shown?



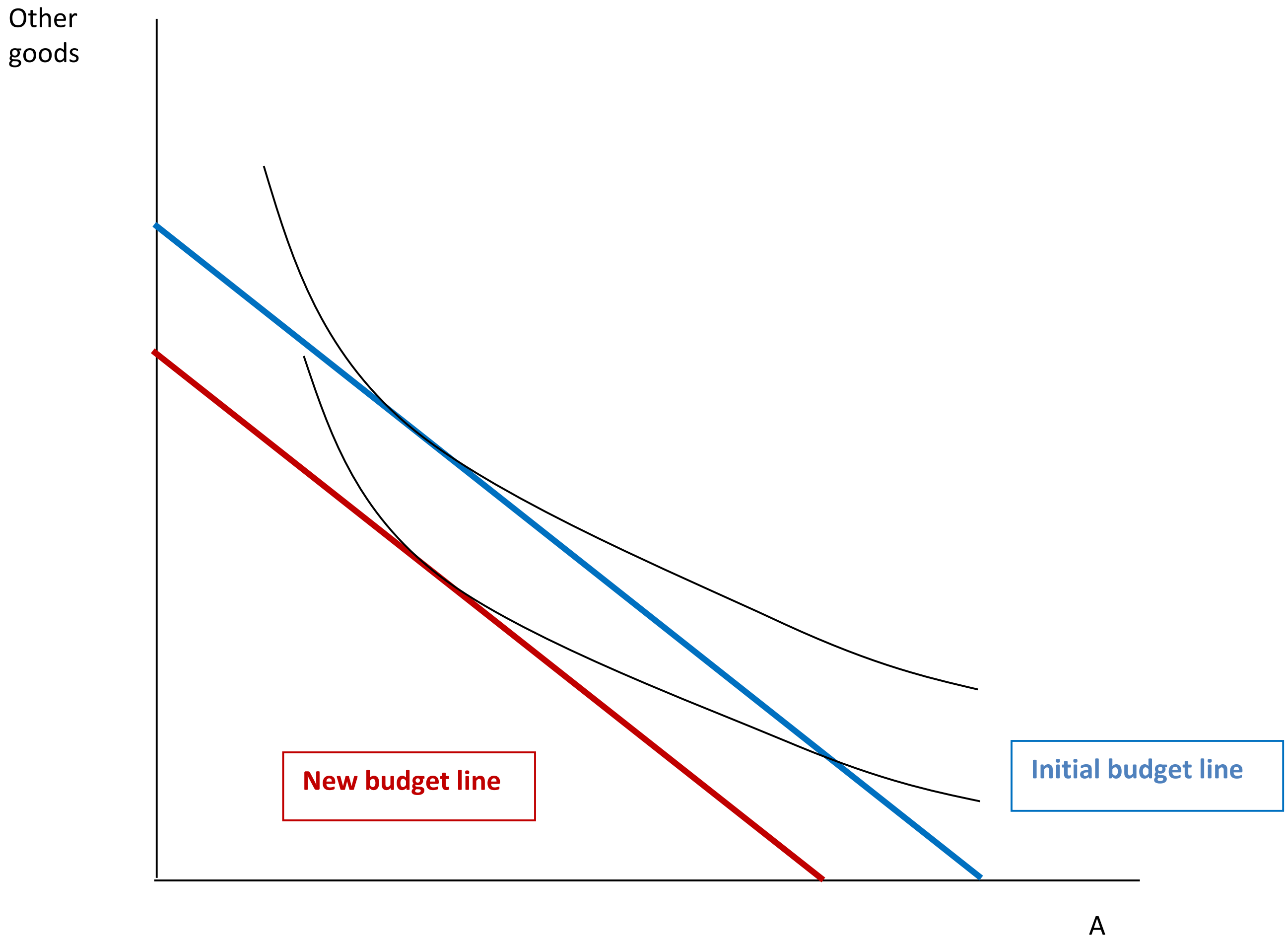
a. Price of B increased
b. Price of A increased
c. Price of B decreased
d. Price of A decreased
e. Income increased
f. Income decreased

1b. As a result of this change, which of the following would happen?

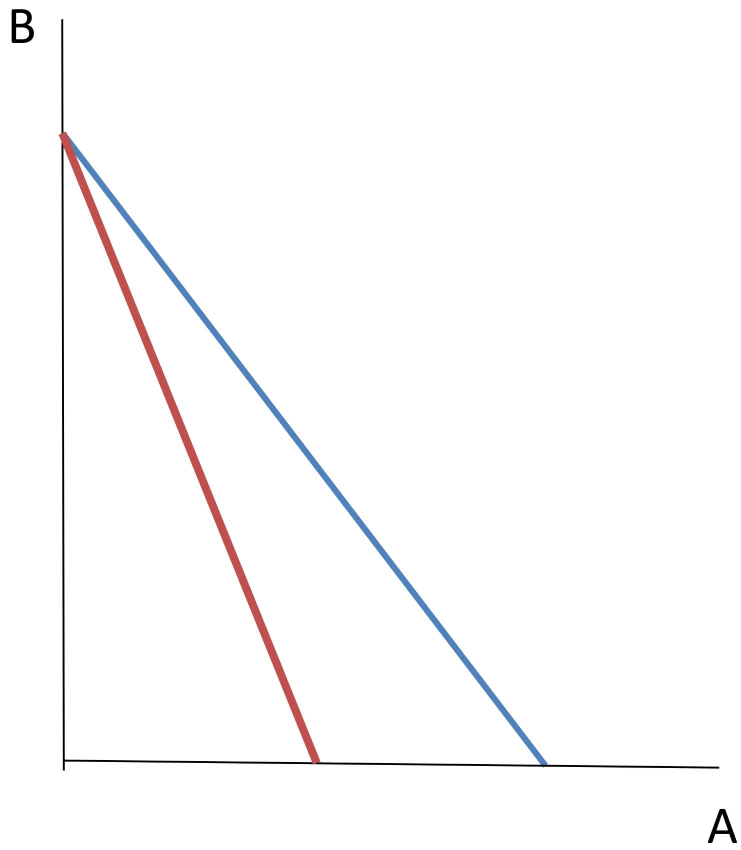


a. Demand curves of both A and B would shift.
b. Demand curve for B would shift and quantity demanded would change along the demand curve for A.
c. Demand curve for A would shift and quantity demanded would change along the demand curve for B.
d. Neither demand curve shifts, but both quantity demanded changes along both curves.

2a. What kind of price/income change has occurred?

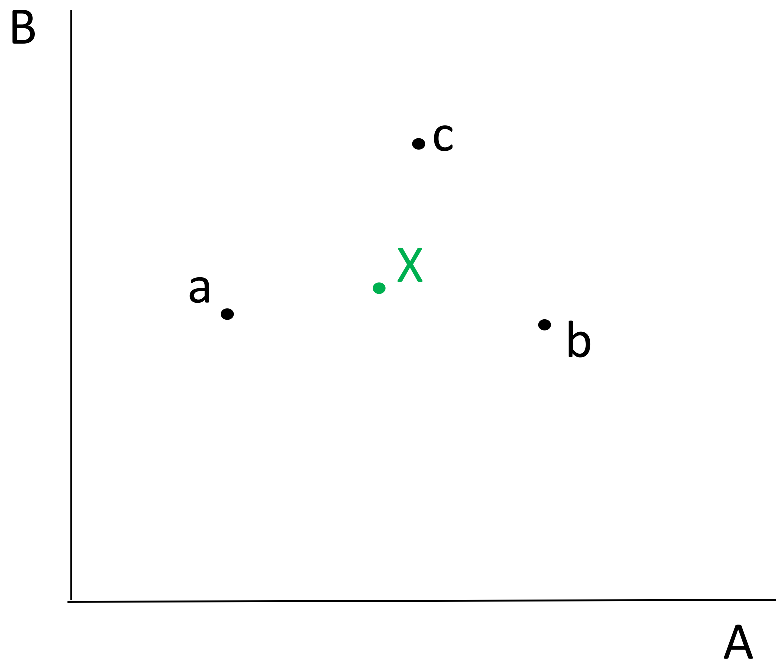


2b. Income increases 10%, the price of B increases 10%, and the price of A increases 5%: Which direction is the change?

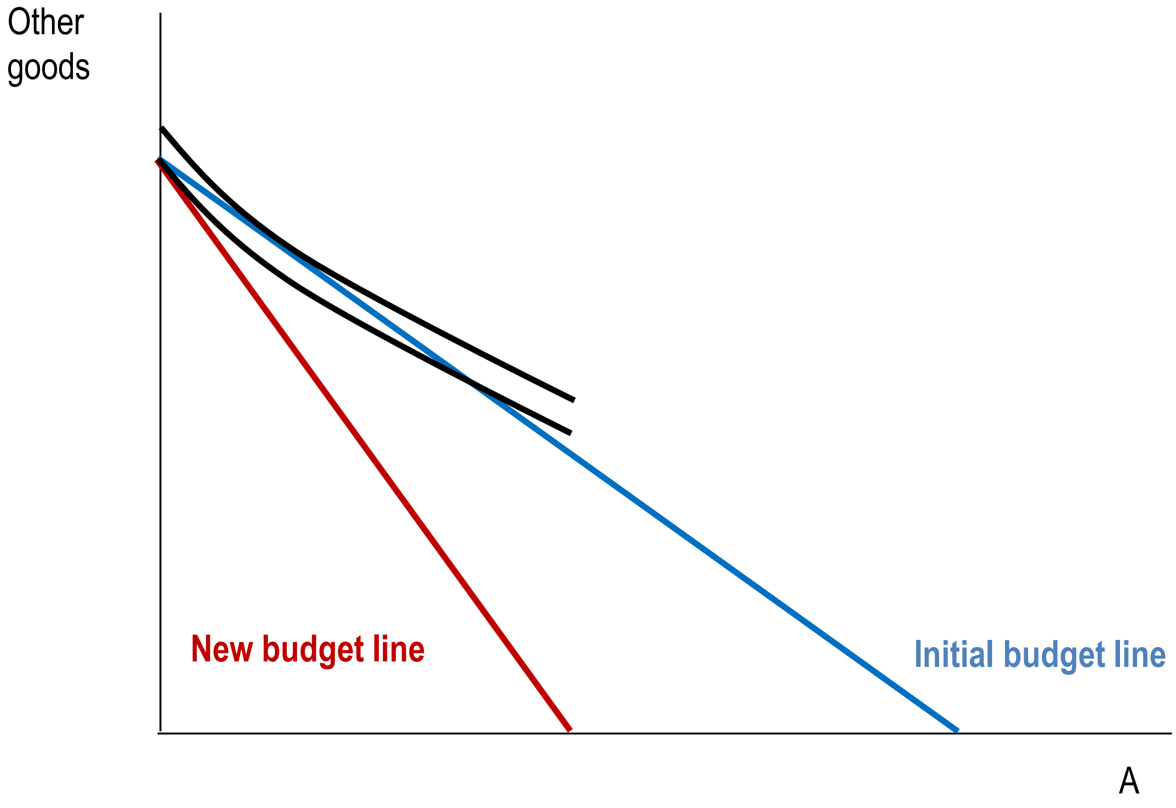


a. Red to blue
b. Blue to red

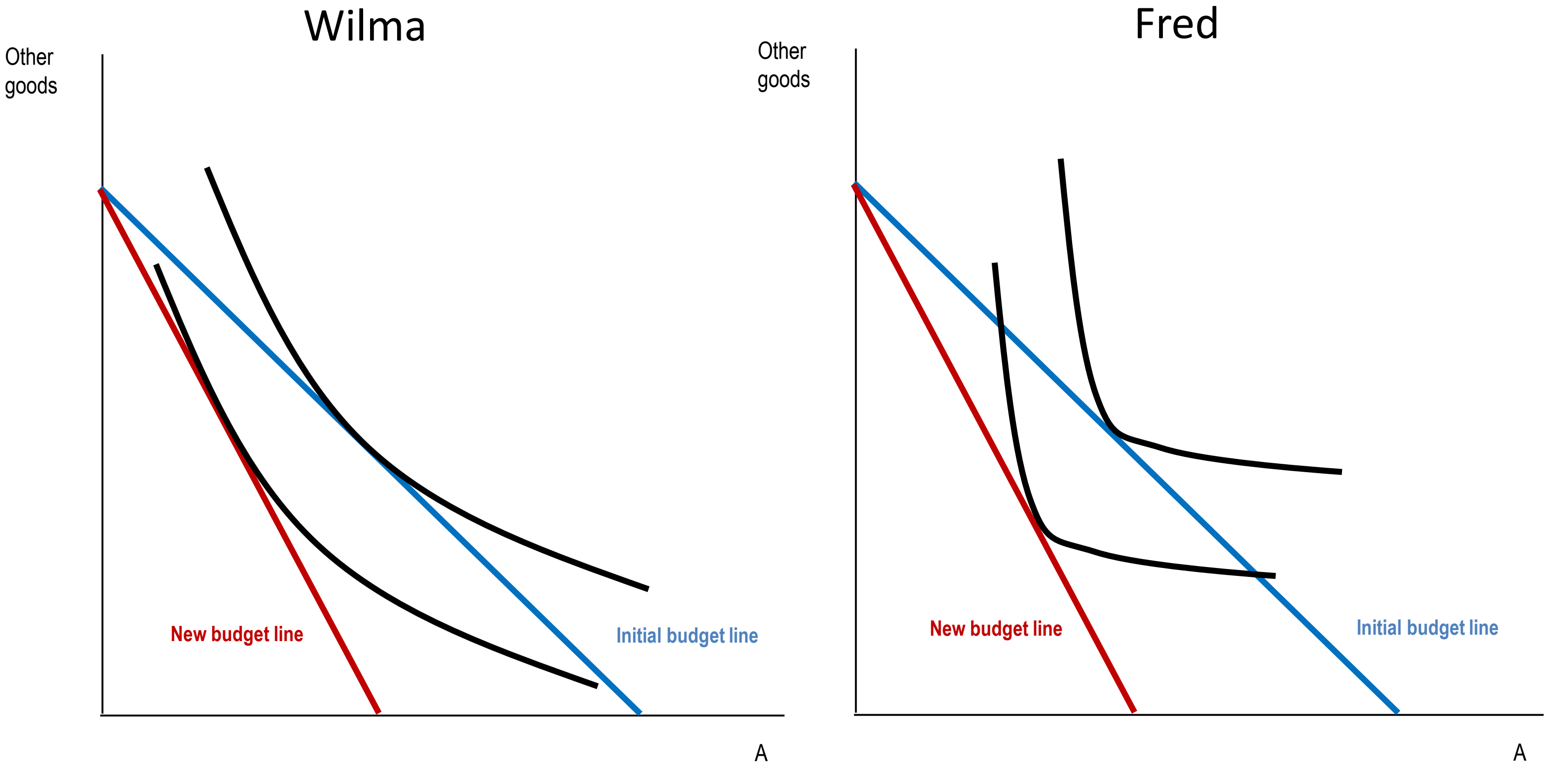
3a. Under the standard assumptions of consumer theory, which points are (1) surely preferred to X, (2) surely less desirable than X, (3) unable to tell without knowing indifference curves?



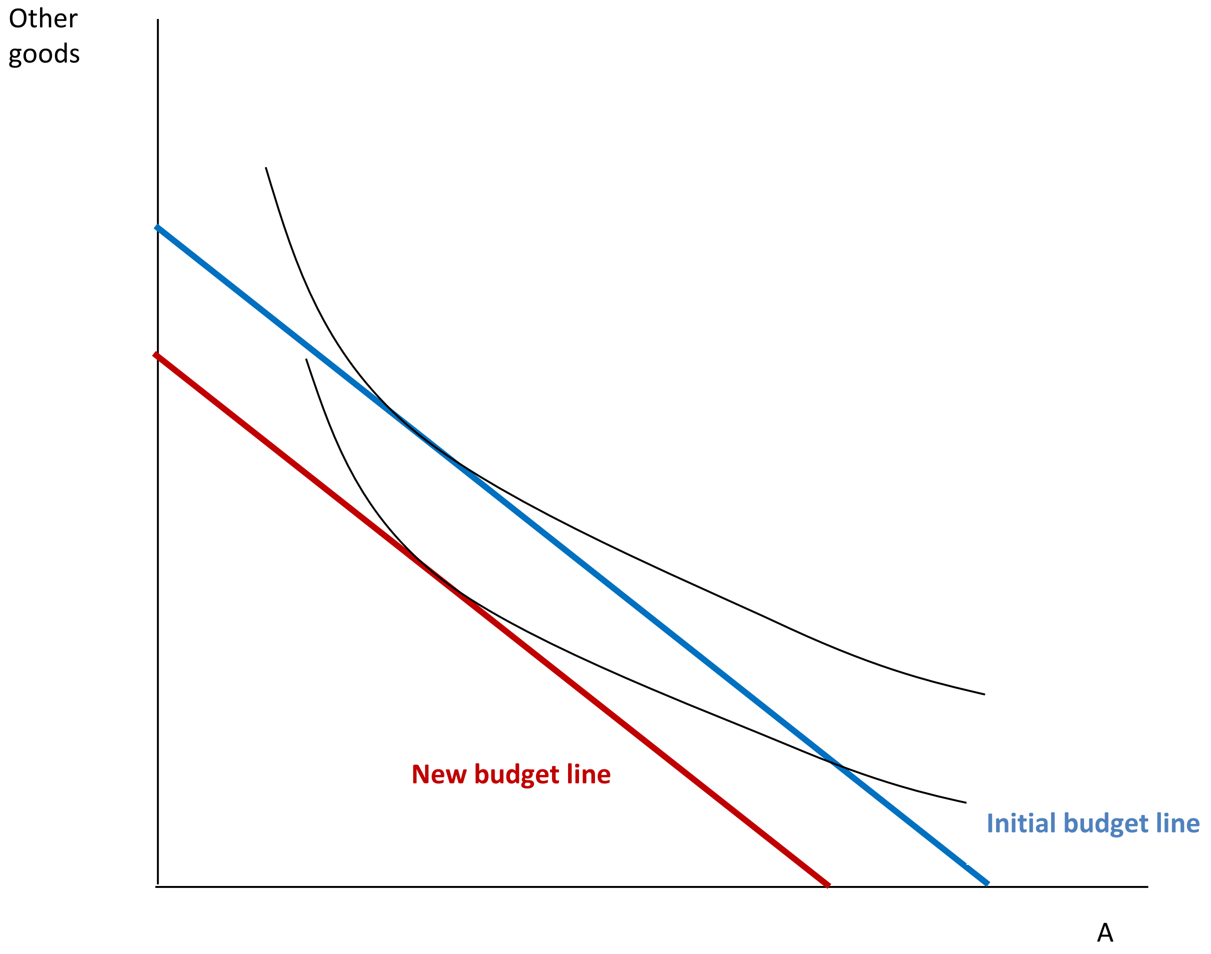
3b. How much of A does the consumer choose before and after the price change?



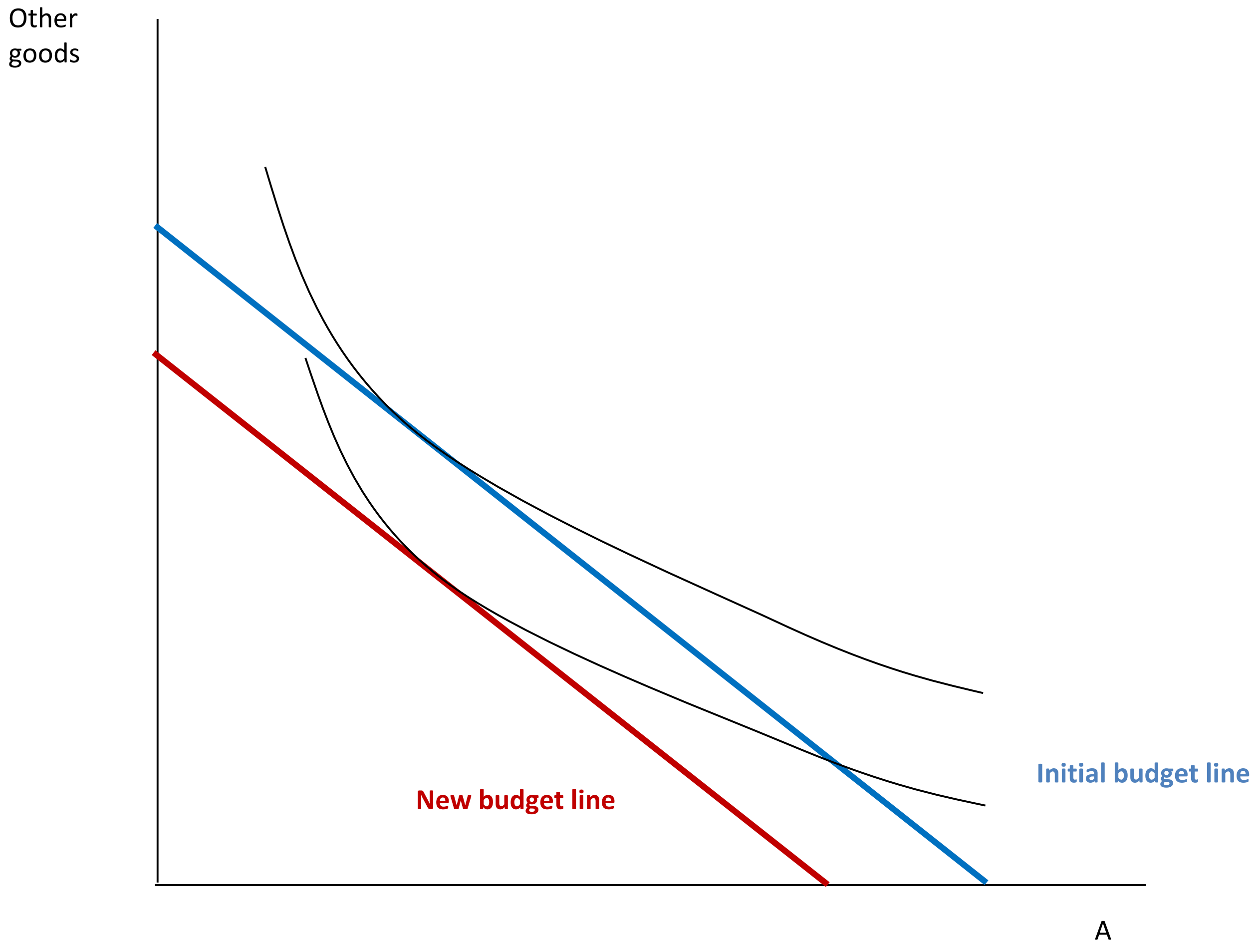
3c. Which consumer has the more elastic demand for A (or can we tell)?



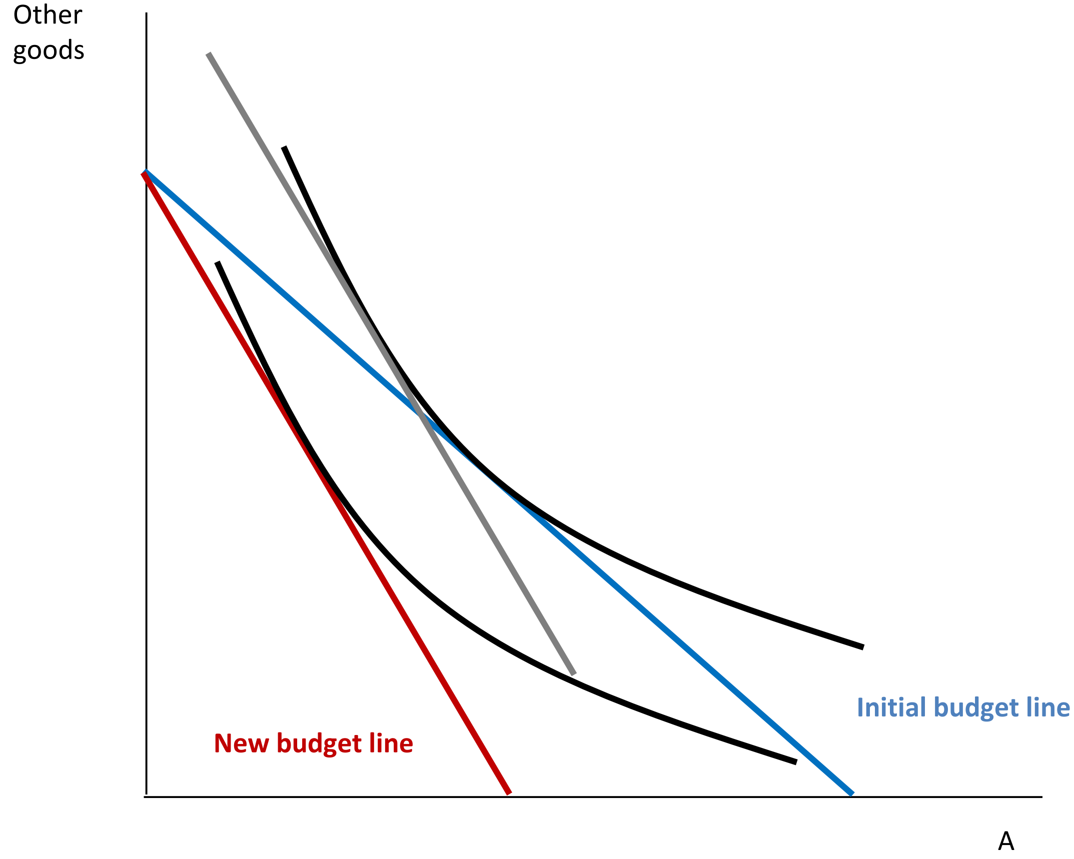
4a. Is A a normal or an inferior good (or can we tell)?



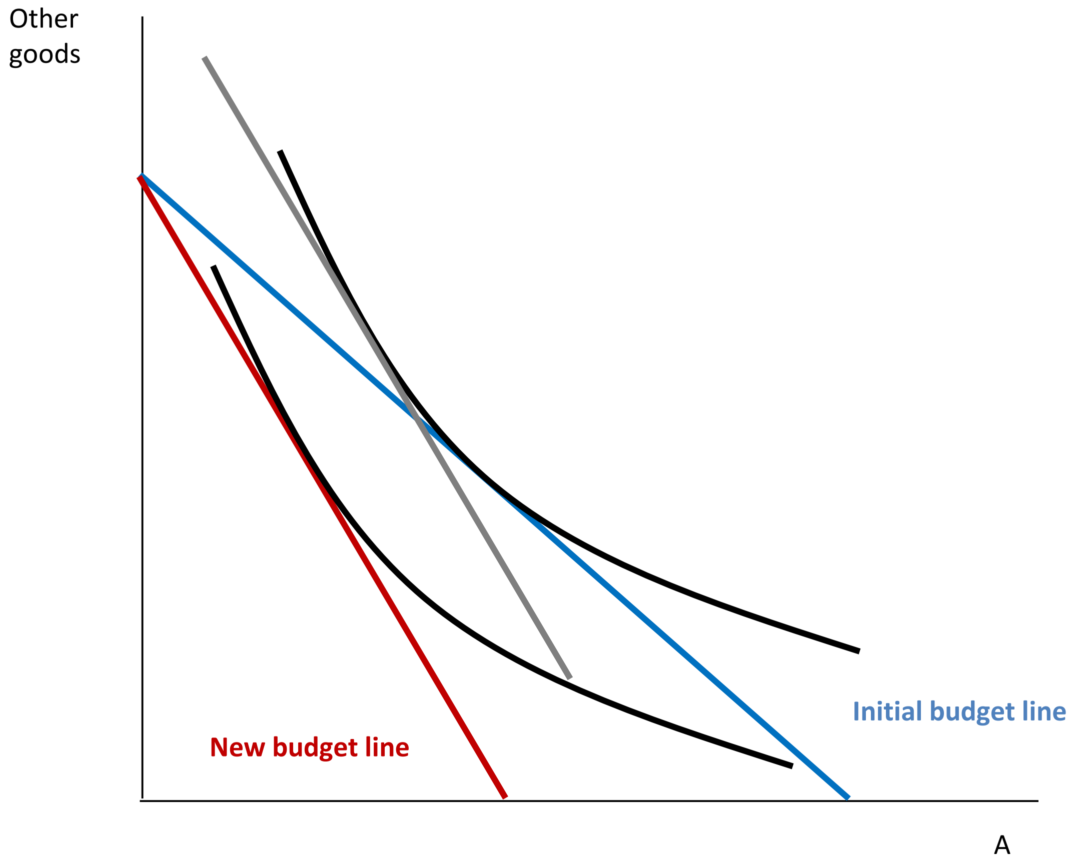
4b. Is A a Giffen good (or can we tell)?



4c. What kind of price/income change has occurred?



4d. Is A a normal or inferior good (or can we tell)?



4e. Is A a Giffen good (or can we tell)?