Test - Intermediate Microeconomics-I

Semester - 3

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Paper: Intermediate Microeconomics - I: Behavioural Foundations of Market Interactions

Date: 1/12/2023

Marks: 12

Answer all questions.

Q.1 $P_1 = 2$, $P_2 = \cancel{3}4$, $M = 100$

1) Plot budget line.
2) What is opportunity cost of one unit of good 1.
3) If price of good, P_1, increases to 4 ($P_{1New} = 4$). Plot new budget line.

(6 Marks)

Q.2 If a consumer always consumes bread with butter. Plot indifference curve and identify his preferences.

(6 Marks)