

Figure 5-1: Budget constraint

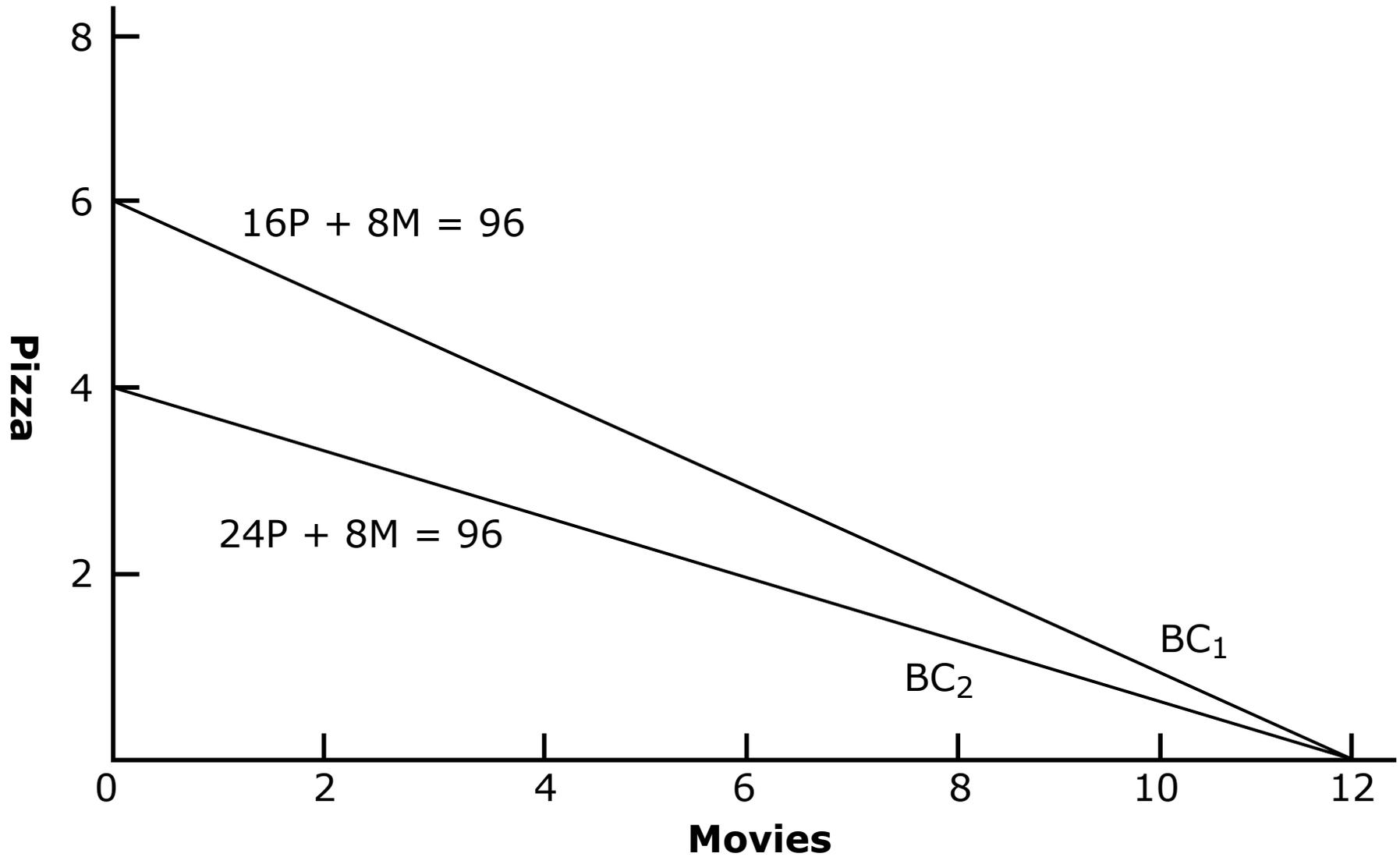


Figure 5-2: Increase in the price of pizza

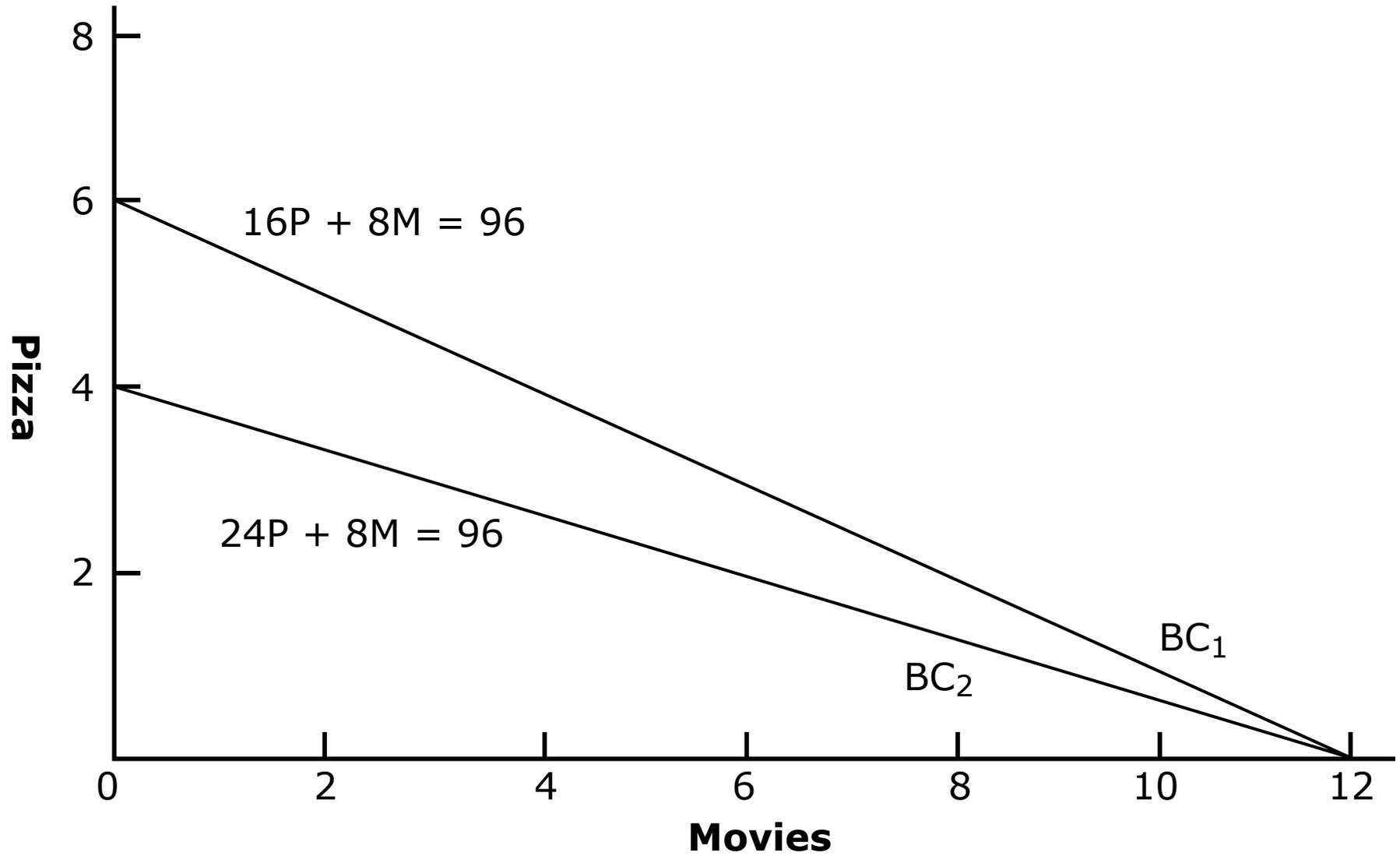


Figure 5-3: Decrease in income

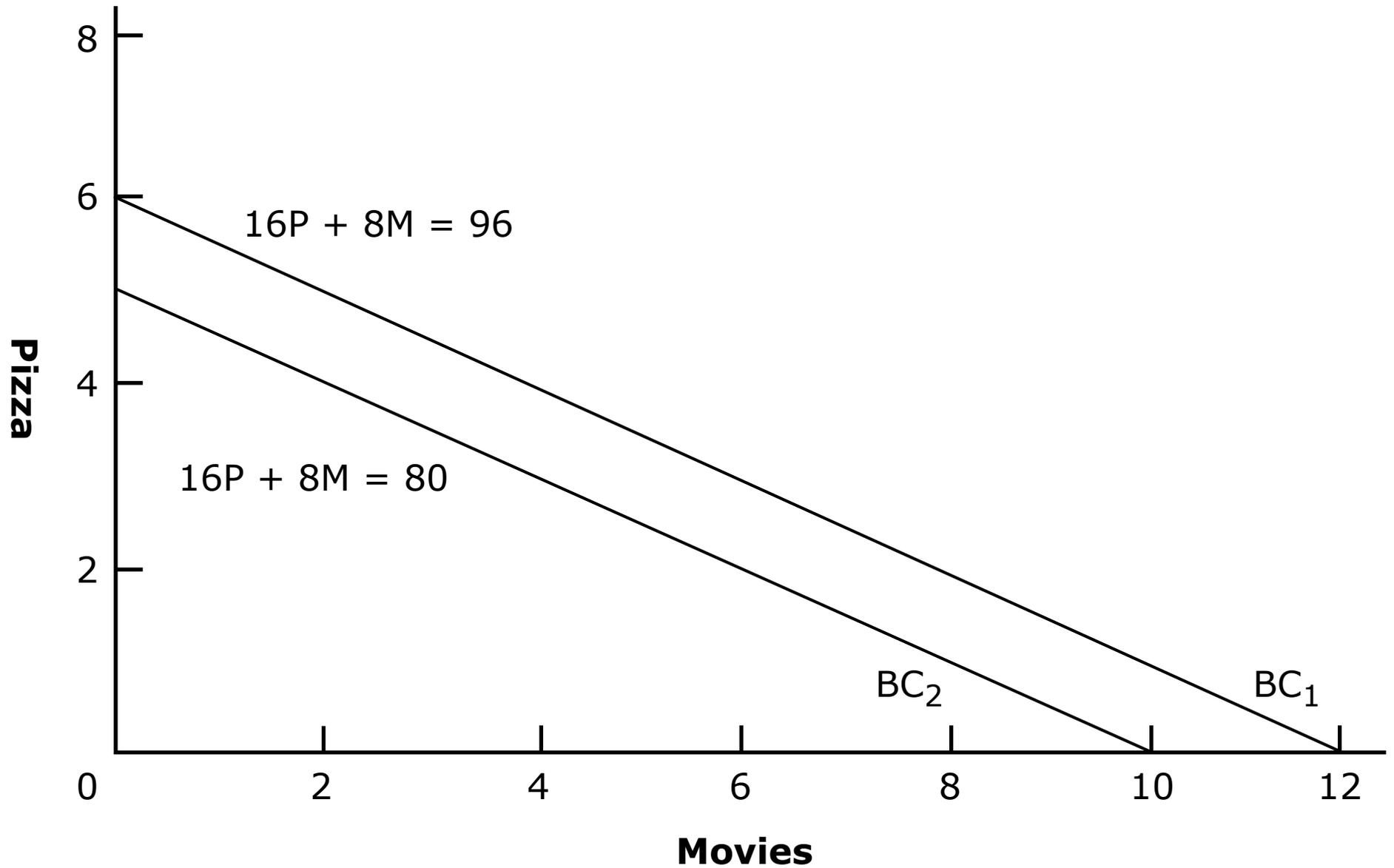


Figure 5-4: Budget constraint and indifference curves

Budget constraint: $8M + 16C = 96$

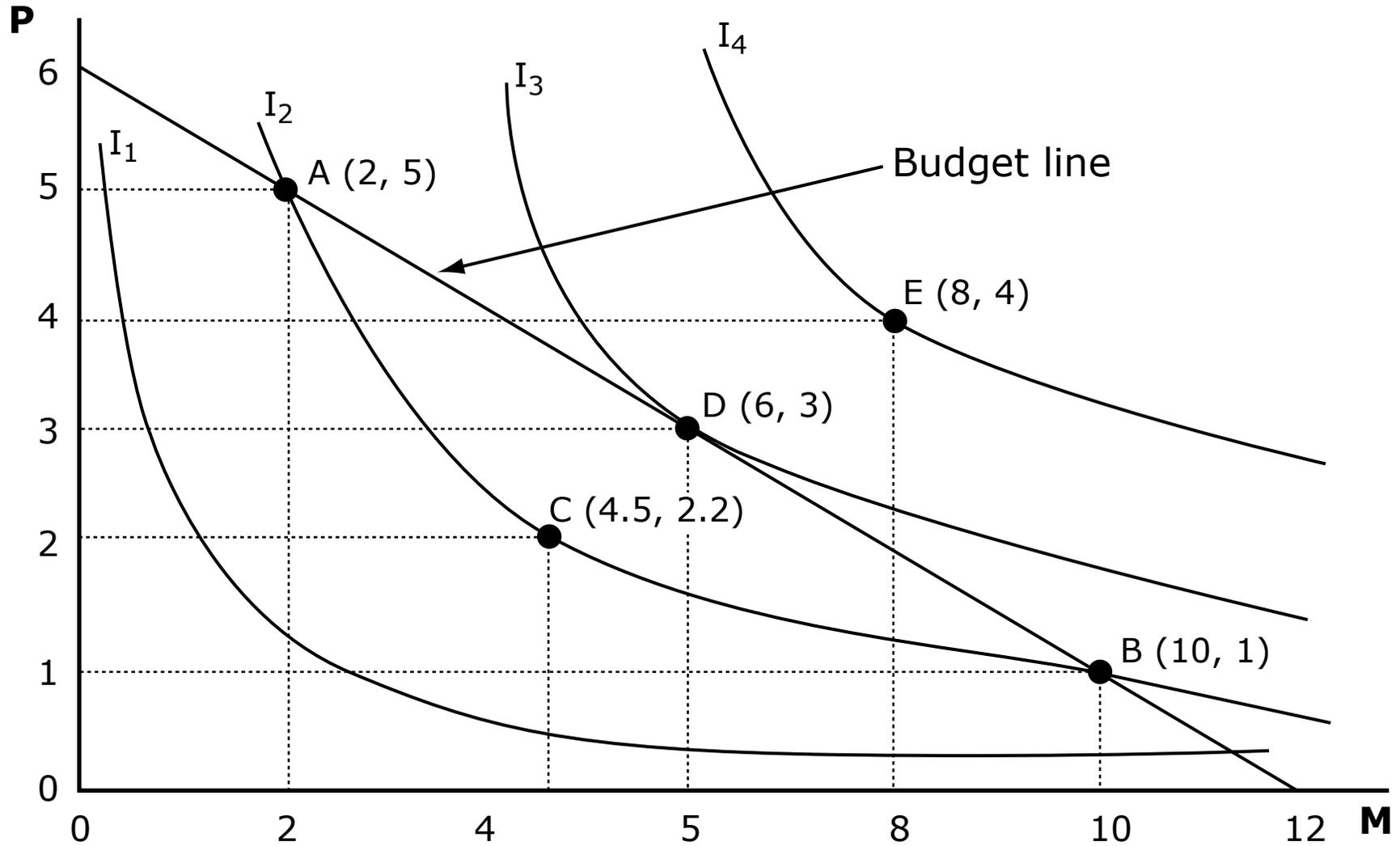
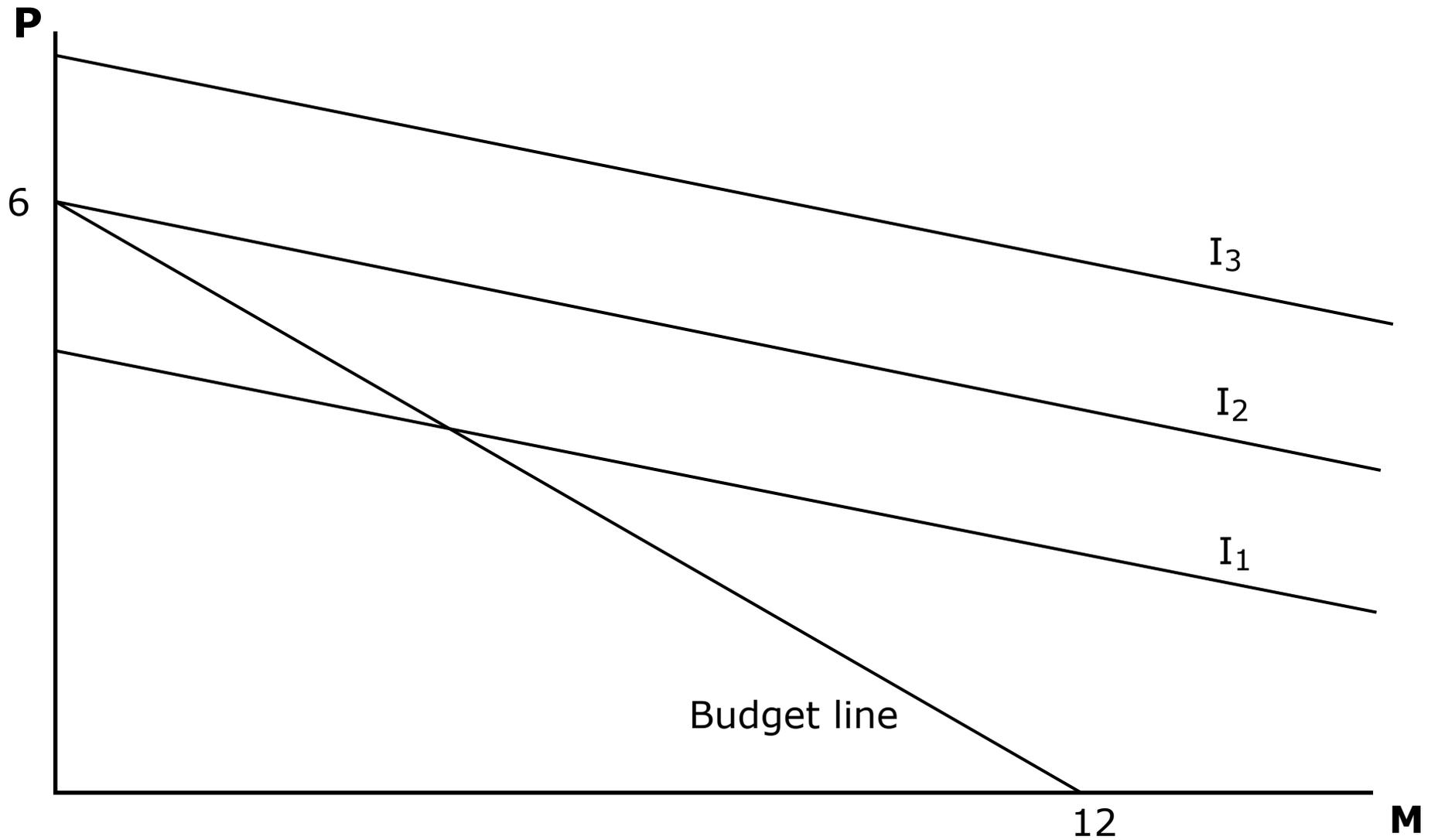


Figure 5-5: Corner solution



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14.01SC Principles of Microeconomics
Fall 2011

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