

Key Concepts for Week 3: The Behavior of Consumers

1. Indifference curves
2. Properties of an indifference curve
3. How tastes and preferences are revealed with indifference curves
4. Marginal rate of substitution
5. Budget curve
6. Feasible and infeasible bundles
7. Plot indifference curve with a budget constraint
8. Solving for the feasible and utility maximizing bundle of goods
9. Diminishing marginal utility