* If the consumer's income increases his budget line shifts upwords.
* Income effect is always both positive and Negative
* Price effect equals to Income effect + substitution effe
* Under Hicksian substitution effect, consumer attains equilibrium on original indifference curve.
* According to Hicks, due to fall in price of X, consumer's real income increases and he remain on the same indifference curve.
* Under the stutsky substitution effect,
* Price consumption curve indicates the price effect of a change in the price of a goods.
* Income consumption curve represent the quantities of two goods that wood be purchased by a consumer at various levels of income.
* In the case of perfect complementaries the marginal rate of substitution is zero.
* Giffen goods has negative income effect.
* Stutsky approach shows cost difference.