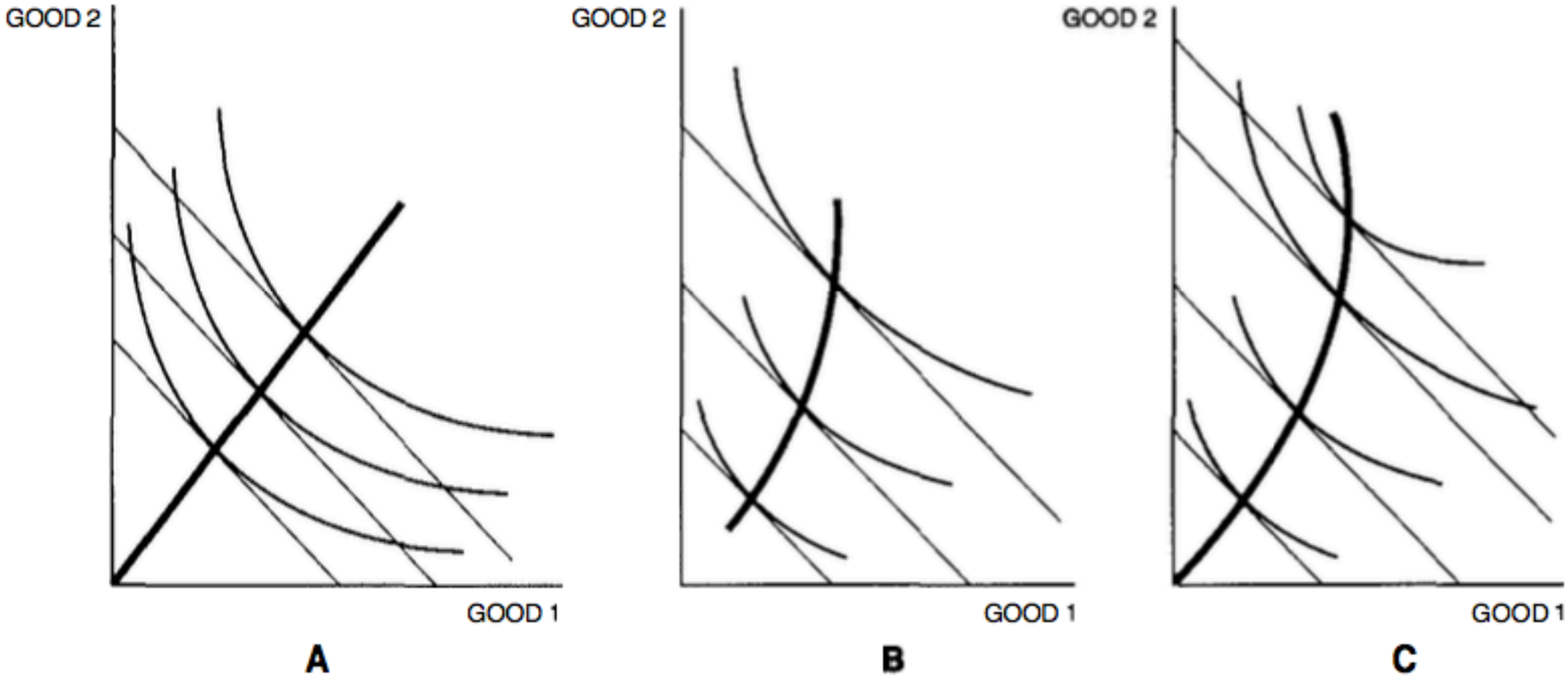
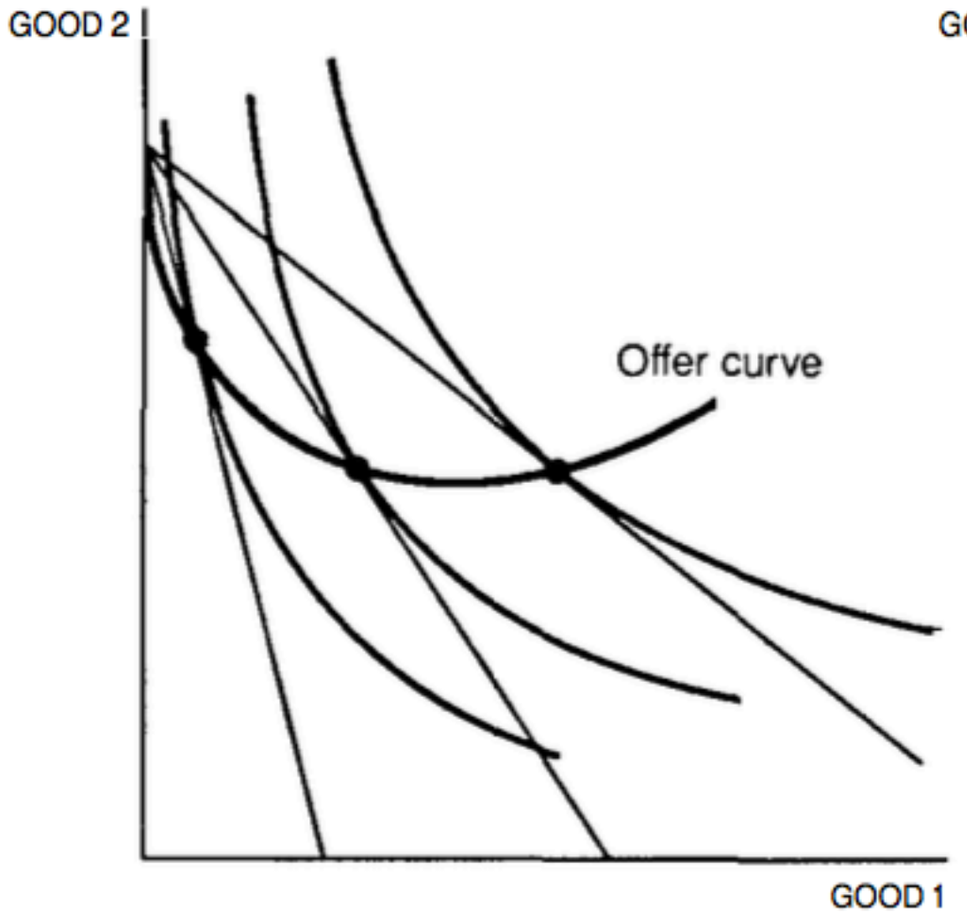
Choice

Microeconomic analysis

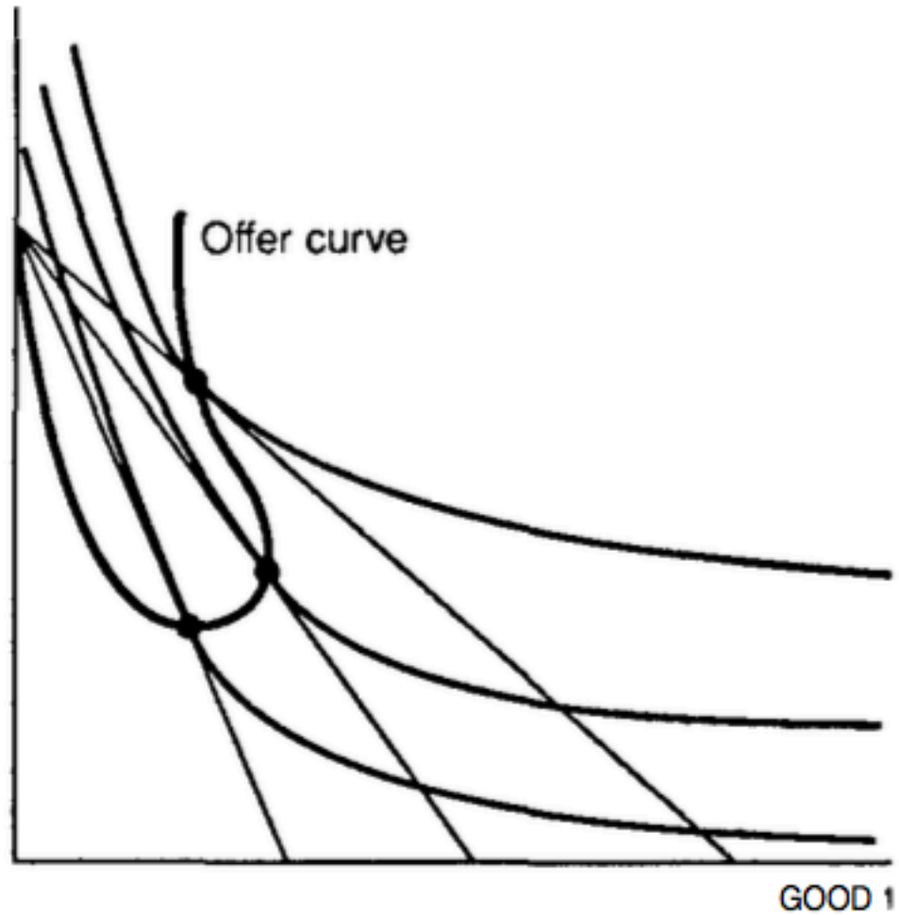


Income expansion paths

offer curves

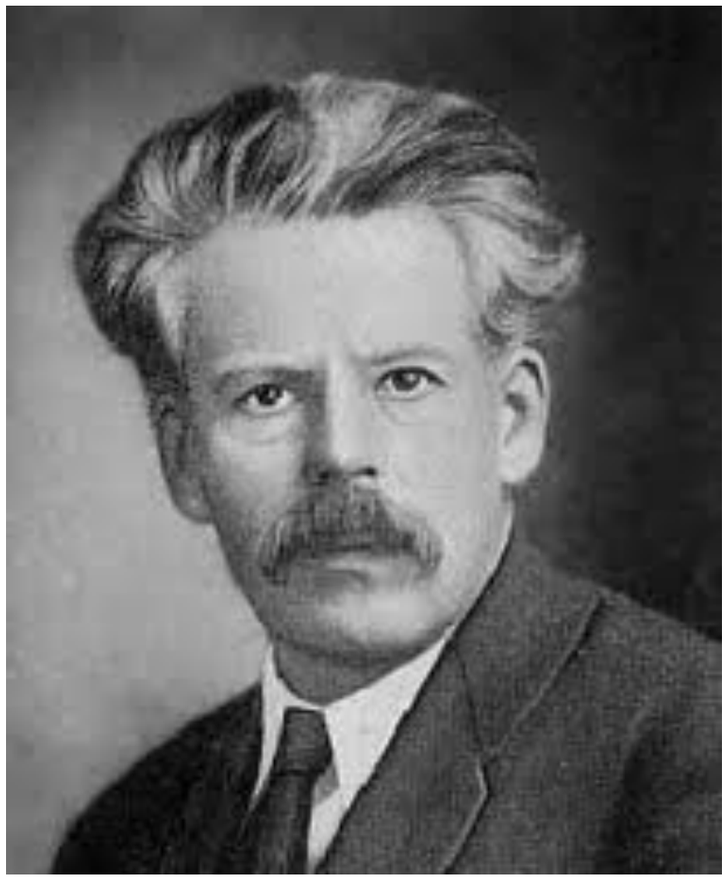


A



B

Slutsky equation



Slutsky equation

$$\frac{\partial x_i(\mathbf{p}, w)}{\partial p_j} = \frac{\partial h_i(\mathbf{p}, u)}{\partial p_j} - \frac{\partial x_i(\mathbf{p}, w)}{\partial w} x_j(\mathbf{p}, w)$$

$$\epsilon_{p,ij} = \epsilon^h_{p,ij} - \epsilon_{w,i} b_j$$

$$\mathbf{D_p x}(\mathbf{p}, w) = \mathbf{D_p h}(\mathbf{p}, u) - \mathbf{D_w x}(\mathbf{p}, w)\mathbf{x}(\mathbf{p}, w)^\top$$

Integrability problem

$$\left(\frac{\partial h_i(\mathbf{p},u)}{\partial p_j}\right)=\left(\frac{\partial x_i(\mathbf{p},m)}{\partial p_j}+\frac{\partial x_i(\mathbf{p},m)}{\partial m}x_j(\mathbf{p},m)\right)$$

Consumption duality

source: http://policonomics.com/consumption-duality/