Semester IV

MJC – 5

Intermediate Microeconomics

Indifference Curve Analysis

- **Concept**
- **Assumptions**
- **Indifference Curves Concept**

Study the material provided in the following links

https://egyankosh.ac.in/bitstream/123456789/67481/1/Unit-5.pdf

Section 5.3.5 & 5.4 & 5.5 provides **Properties of Indifference Curves, Some Exceptional Shapes of Indifference Curves & Budget Lines.**

This is followed by Section 5.3.5 which is devoted to **Properties of Indifference Curves**

Section 5.4 is devoted to **Some Exceptional Shapes of Indifference Curves**

Section 5.5 is devoted to **Budget Lines**

Properties of Indifference Curves

उदासीनता वक्र (Indifference Curve) दो वस्तुओं के ऐसे विभिन्न संयोजनों को दर्शाता है जो उपभोक्ता को समान संतुष्टि प्रदान करते हैं।
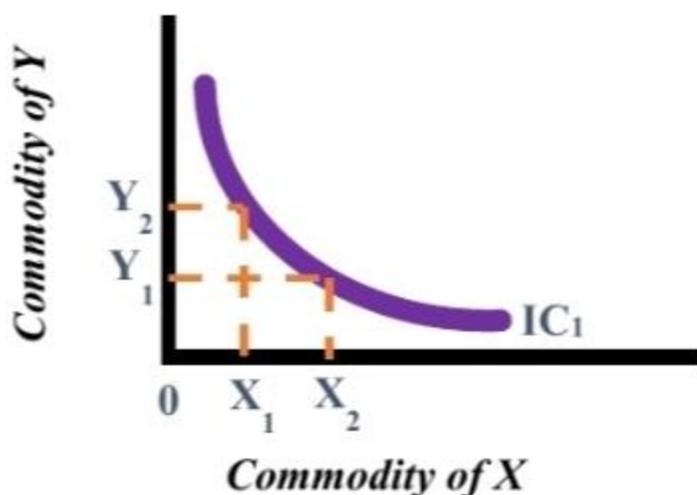
इसकी मुख्य विशेषताएं हैं:

- यह बाएं से दाएं नीचे की ओर ढालू होते हैं,
- कभी भी एक-दूसरे को नहीं काटते,
- और ऊंचे उदासीनता वक्र उच्च संतुष्टि दर्शाते हैं।
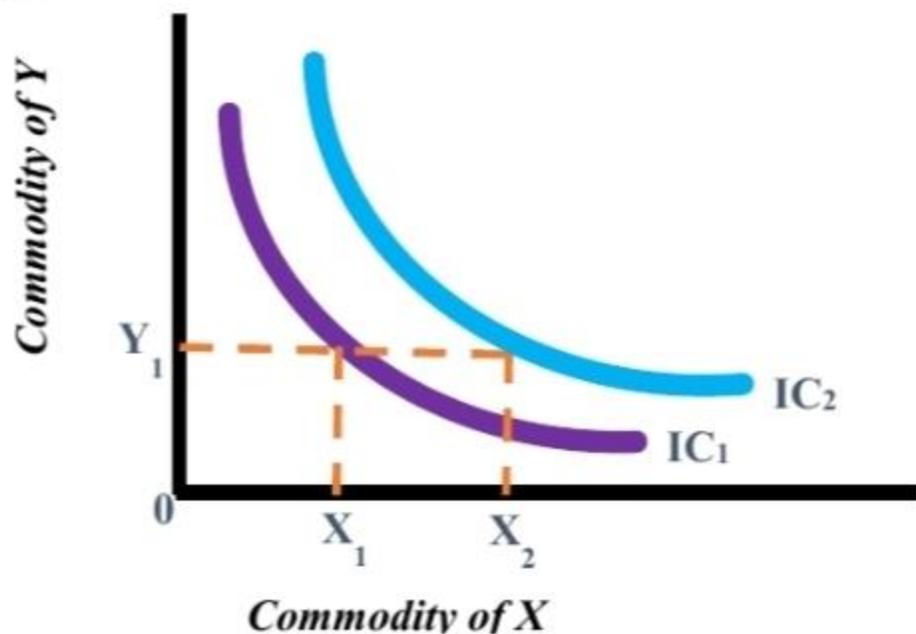
इससे संबंधित चित्र इस प्रकार हैं

Properties of Indifference Curve

Based on the assumptions and the law of diminishing marginal rate of substitution, indifference curves are as follows:

1) **Indifference curve slopes downward to the right:** IC is downward slopping fro that the consumption of one commodity (Y) has to be decreased to increase the commodity (X) if the consumer wants to remain at the same level of satisfaction.
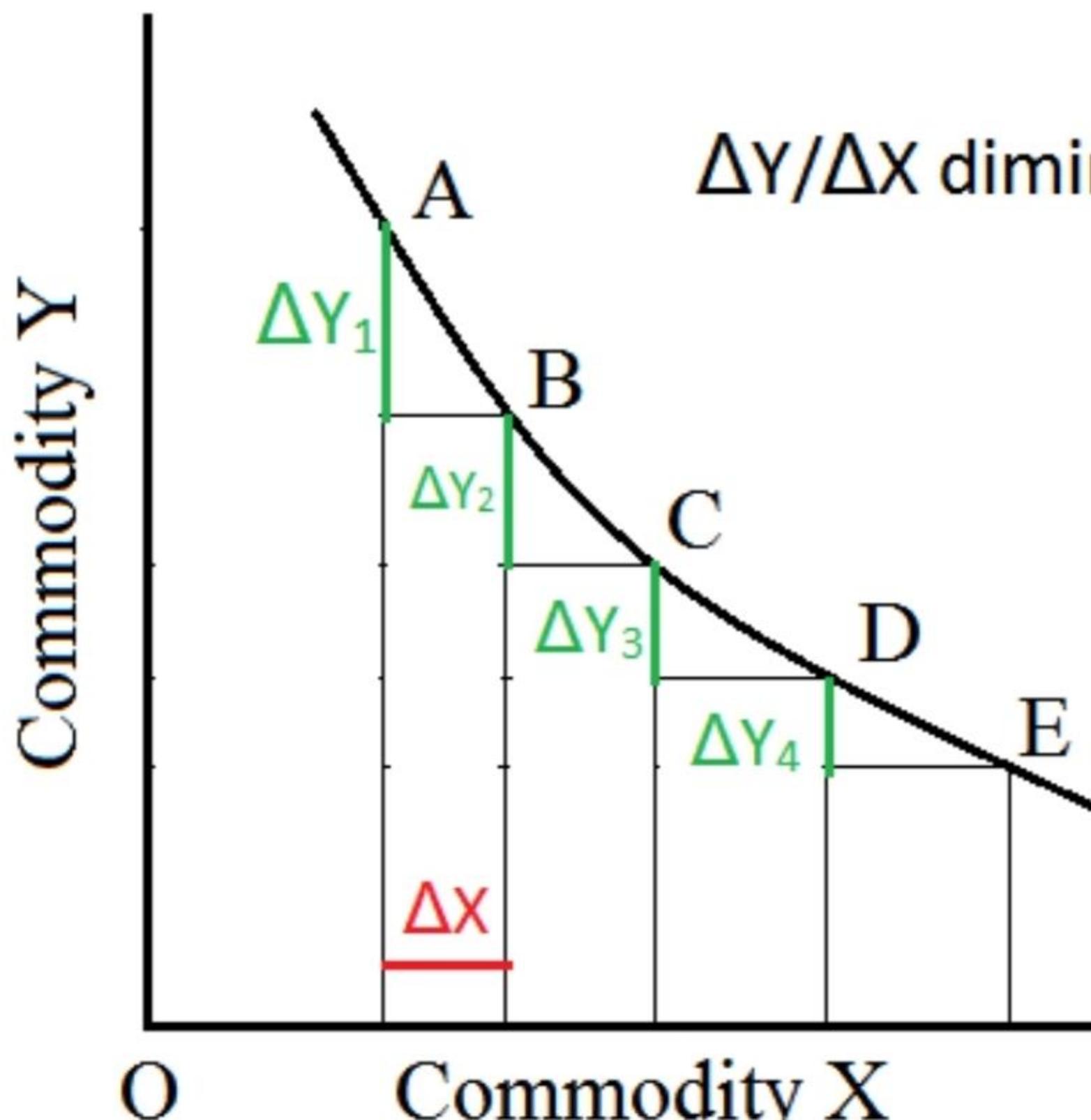

Commodity of X

2) **Higher level of indifference curve represents higher level of satisfaction:** An origin provides higher level of satisfaction. It is because the higher IC consists the least one of the goods.

Commodity of X

Here in the fig, IC_2 gives more level of satisfaction than IC_1. This is because IC_2 cor one commodity.

इससे संबंधित चित्र इस प्रकार हैं

Figure 5

<u>Other Useful Links</u>

https://www.investopedia.com/terms/i/indifferencecurve.asp

https://egyankosh.ac.in/bitstream/123456789/79596/3/Unit-8.pdf

(Section 8.4 to 8.6)