

Compensated Demand Curves



Managerial Economics - Charles W. Upton

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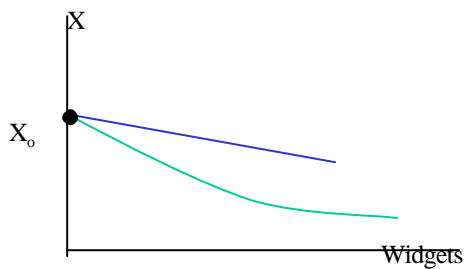
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- We talk about consumer surplus as the area under the demand curve.
- In fact, this is only an approximation.
- Technically, we should look at the Hicksian or compensated demand function.



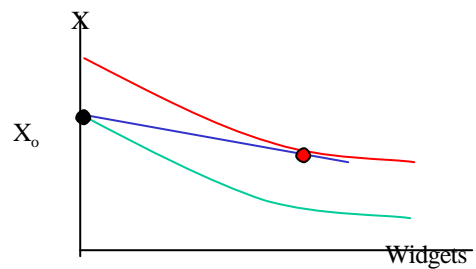
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A Formal Definition



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