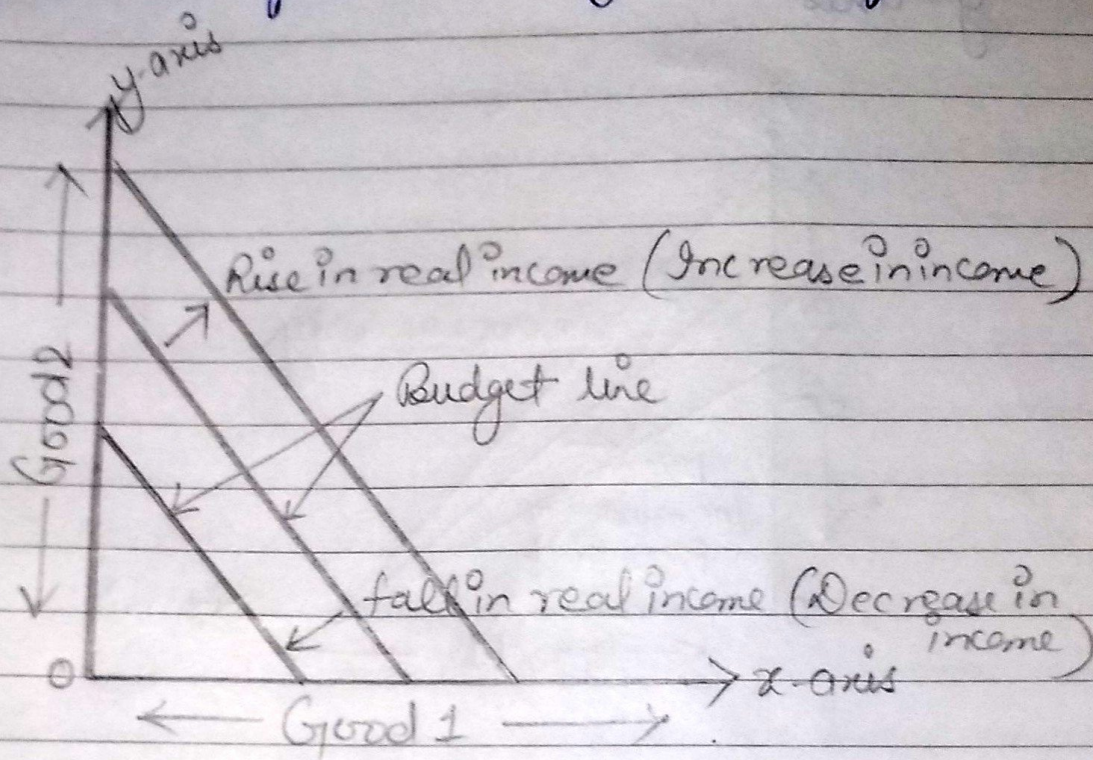


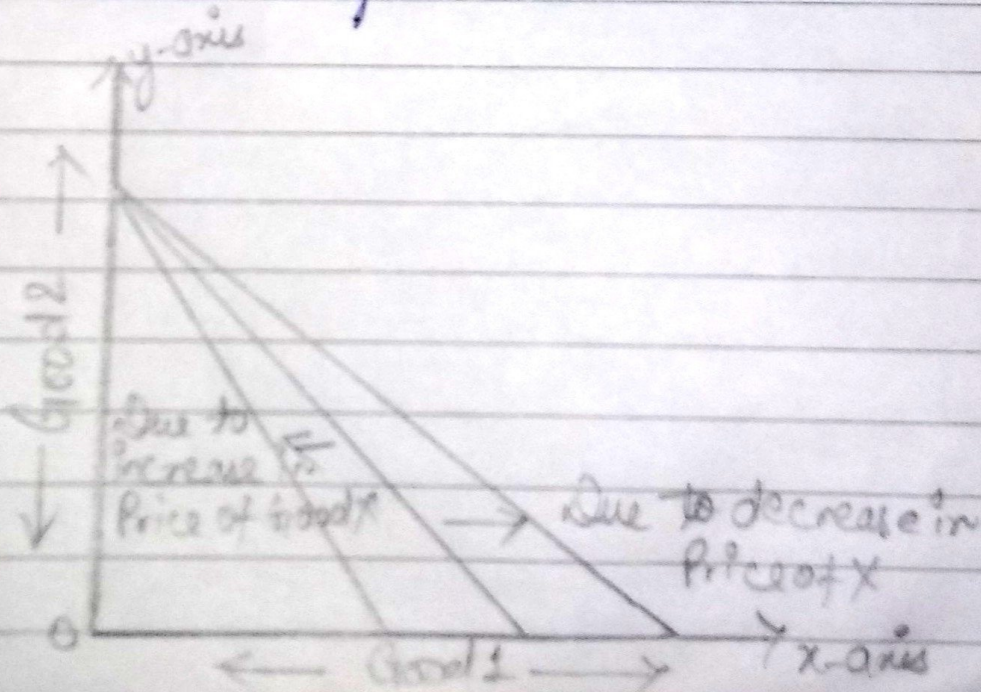
Stages of Shifting of the Price Line

- ① Change in income and the budget line :-
With the increase or decrease in real income budget line shifts to the right to left.



- ② Change in the price of the goods 1 and the budget line :-

With the fall in price of good 1 the budget line becomes steeper inward on the X-axis.



③ Change in the price of goods 2 and the budget line :-

With the fall in the price of good 2 the budget line becomes flatter on the y-axis while with the rise in the price of goods 2 the budget line becomes steeper on the y-axis

