



## Barick Chung

### Employment:

2014-present Senior Lecturer, Department of Economics, CUSZ – Shenzhen.  
2012-2014 Lecturer, School of Economics and Finance, University of Hong Kong.  
2006-2012 Instructor, Department of Economics, CUHK – Hong Kong.

### Education:

2003-2007 Ph.D. (Business) Indiana University – Bloomington.  
1987-1991 BS.Sc. (Economics) Chinese University of Hong Kong – Hong Kong.

### Research paper:

Chung, Barick, "Two Level Price Discrimination and Vertical Relationship" (March 05, 2012). Available at SSRN: <http://ssrn.com/abstract=1997070>.

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## ECO 2011 (Sections L07-10) Basic Microeconomics

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Pindyck and Rubinfeld, 2014, p.68:

(1) **Consumer preferences:** To find a practical way to describe consumers' preferences.

Indifference curves / Indifference map.

(2) **Consumer constraints:** To take into account the fact that consumers have limited incomes which restrict the quantities of purchase.

Budget constraint / budget line / budget set.

(1) + (2) **Consumer choices:** Given their preference and budget, consumers choose what to buy to maximize satisfaction.

Optimization / maximization.

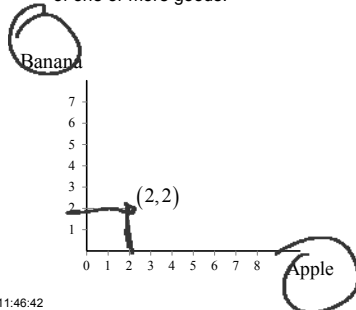
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Pindyck and Rubinfeld, 2014, p.68:

Market basket (/or **bundle**): is a list with specific quantities of one or more goods.



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An apple is "**preferred to**" a banana, i.e.,  $A \succeq B$ .

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### Assumptions on consumer preference

#### (1) Preferences are **complete**.

For any two bundles in the commodity space, A and B, the consumer can always tell whether A is preferred to B, B is preferred to A or A is indifferent to B.

#### (2) Preferences are **transitive**.

Transitive: if A is preferred to B, and B is preferred to C, then A is preferred to C.

Non-transitive: bundle D is preferred to E, E is preferred to F, but D is not always preferred to F.

#### (3) **Non-satiation** (More is better): Consumers always prefer more of any good to less of the good.

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