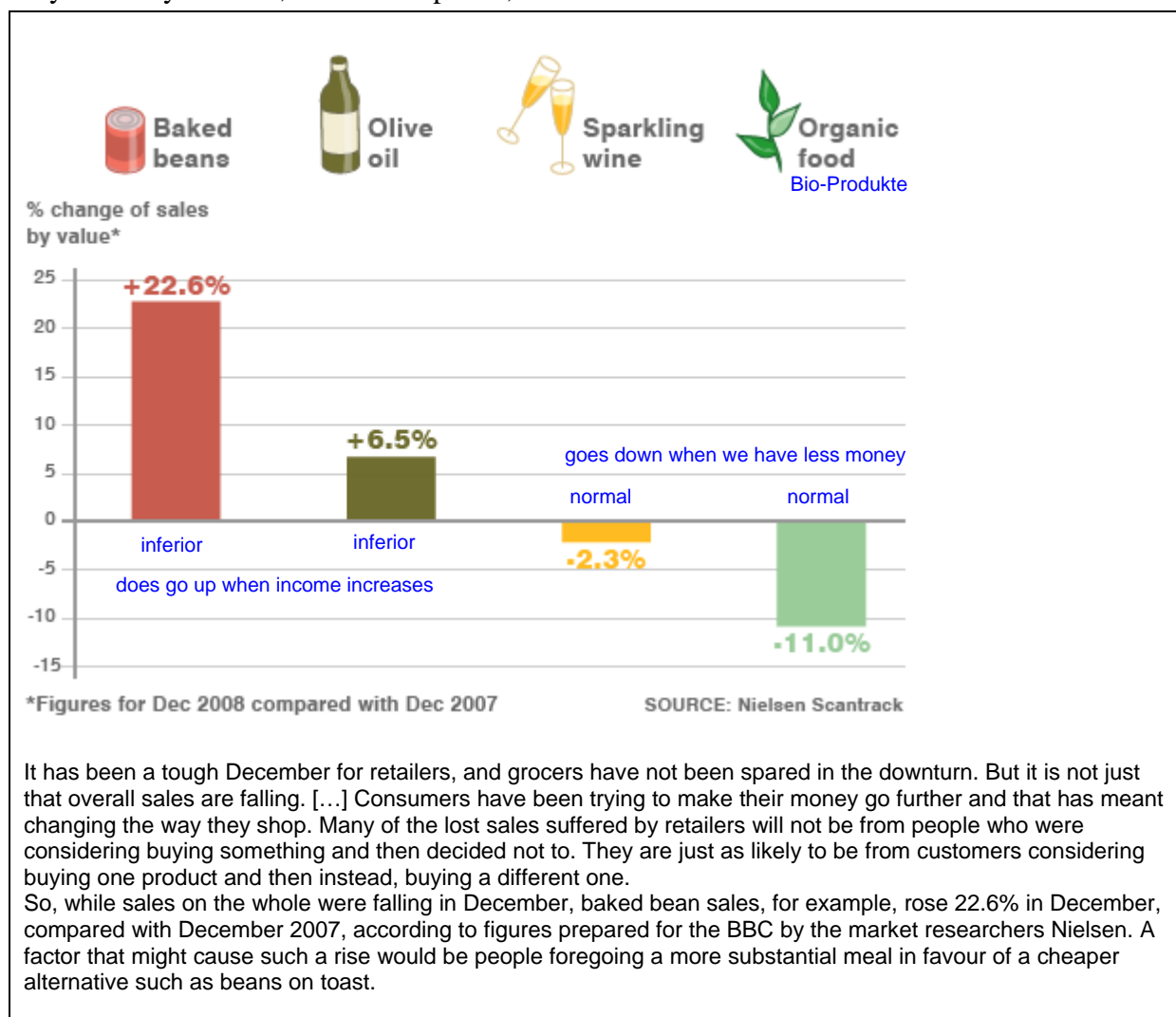


Application 06: In the News – Normal and Inferior Goods

The following article reports about a changing consumption pattern of British consumers at the end of 2008 when the financial crisis hit the economy:

What are you giving up in the downturn?

By Anthony Reuben, Business reporter, BBC News



Source: BBC NEWS, 13 Jan 2009, <http://news.bbc.co.uk/2/hi/business/7824072.stm>

Indicate which of the four food items mentioned in the article are “**normal goods**” and “**inferior goods**”, respectively. Give a brief explanation of your categorization.

Suggestion for further reading:

On 2 June 2012, the Economist also reported about changing British eating habits in the recession:

Eating and recession: The basket case

Harder times have transformed a nation's eating habits

Source: <http://www.economist.com/node/21557377>