VWL; 22.11.2022

Application 6

Baked beans : inferior good : if you are financially well of you like to treat yourself to better quality – baked beans are in the lowest quality of foods available and are stockpiled for emergencies. Therefore the consumption goes up if budget decreases.

Olive oil: normal good, maybe inferior good: need it to cook and if you are ultra wealthy you probably eat out more and therefore need less of it, but if you are extremely poor you also might just eat junk food and therefore don’t need it that much

Sparkling wine: normal; if you are rich, you drink more sparkling wine: it is a symbol of wealth and often associated with dances and other gatherings of the well-offs of society

Organic food: normal; if you can afford to care for the planet most people do, but if you are poor you are just happy to get by. Therefore consumption increases, when budget increases