

7.1 Axioms of Rational Choice

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1) Completeness

"bundle" \rightarrow things you can choose

$\hookrightarrow A \succ B$ or $A \prec B$ or $A \sim B$

2) More is better

3) Transitivity

\hookrightarrow if $A \succ B$ and $B \succ C$, $A \succ C$

\hookrightarrow Independence of irrelevant options

4) Diminishing marginal rate of substitution