

## 7.3 Budget Constraint

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11:57 AM

$$m \quad p_x \quad p_y$$

$$m \geq p_x X + p_y Y$$

$$m = p_x X + p_y Y \Rightarrow Y = \frac{m}{p_y} - \frac{p_x}{p_y} X \rightarrow \text{budget line}$$

↳ Price ratio  $\rightarrow$  rate market dictates  
↳ y intercept

