



Q17. What do you mean by a normal good?

Ans: Those goods that share a positive relationship with income but a negative relationship with price are called normal goods. In other words, if the income of a consumer increases, then the demand for a normal good also increases. However, the demand will fall with the rise in the price of that good.

That is,

If the price of a good (P_x) increases, then the demand for the good (D_x) decreases.

If a consumer's income (M) increases, then the demand for good increases.

Q18. What do you mean by an 'inferior good'? Give some examples.

Ans: Inferior good: Those goods that share an inverse relationship with their prices and with the income of a consumer are called inferior goods. That is,

If the price of a good (P_x) increases, then the demand for the good (D_x) decreases.

If a consumer's income (M) increases, then the demand for good increases.

Examples: Coarse cereals, birds, etc.

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