

EE211 Section 1 Extra credit (1 point) Submit hardcopy only
In order to earn 1 point, student must answer both questions correctly.

Name _____ Last 4 digits ID _____

Answers the following questions with full explanation and graphs.

You consume only soda and pizza. One day, the price of soda goes up, the price of pizza goes down, and you are just as happy as you were before the price changes.

- a. Illustrate this situation on graph.
- b. How does your consumption of the two goods change? How does your response depend on income and substitution effects?