A revealed preference test for normal demand; the two-commodity case*

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Abstract

The aim of this paper is to clarify the observable restrictions of normal demand. In particular, in two-commodity model, we show a necessary and sufficient condition for a finite set of price-consumption data to be consistent with normal and rational demand.

JEL Classification: D11; D12

Keywords: Revealed preference; Normal demand; Monotone comparative statics; Consumer theory

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