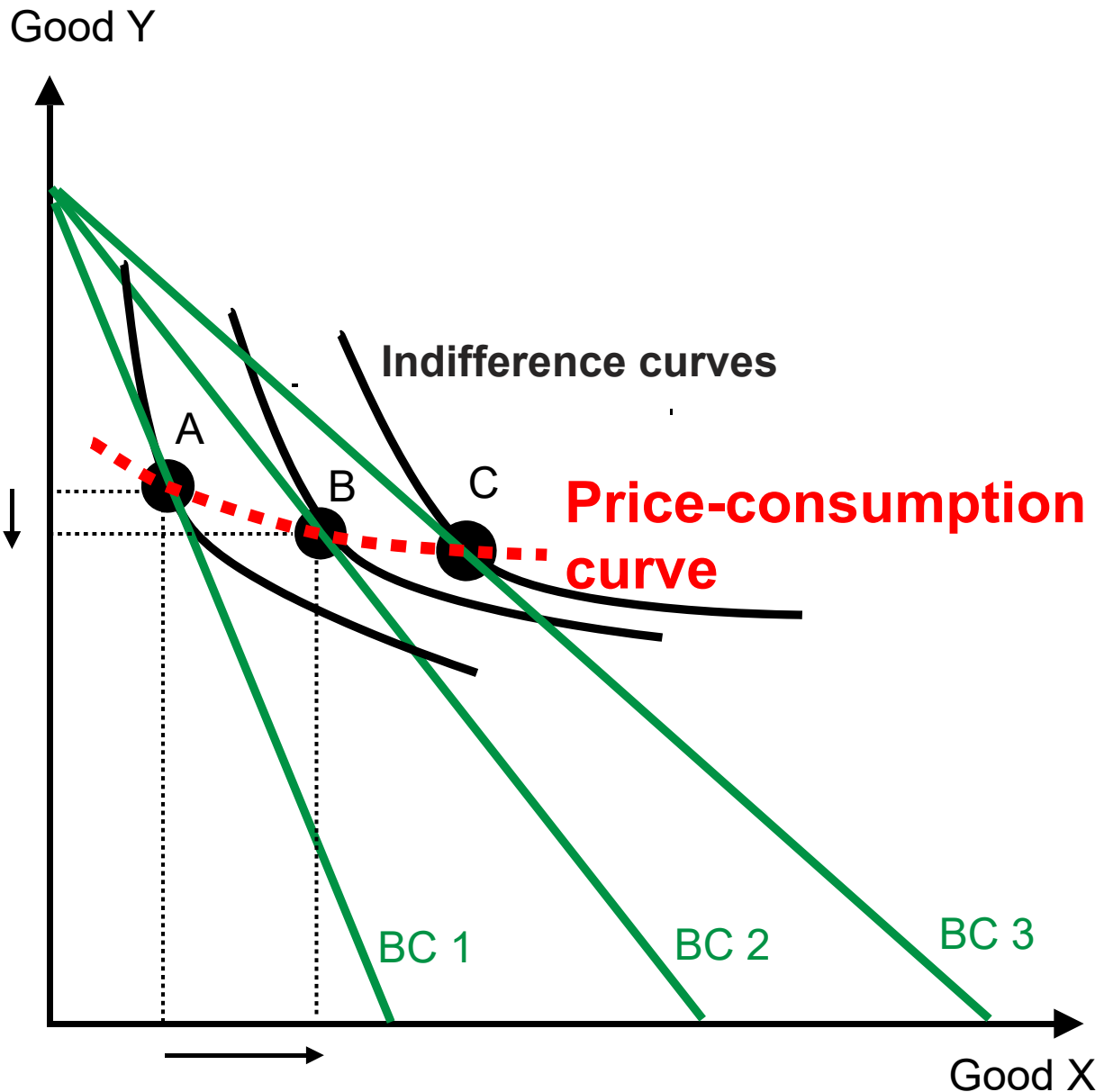


# Price-consumption curve



BC = Budget constraint

If the price of good X decreases (from BC 1 to BC 2), the quantity of good X increases as expected. In contrast, the quantity of good Y decreases at the same time. The two goods are therefore substitutes (cross-price elasticity of demand  $> 0$ ).