Recitation 3 Notes
14.01SC Principles of Microeconomics

I. Substitution
   Marginal Rate of Substitution: the rate at which a consumer is ready to give up one good in exchange for another good while maintaining the same level of utility.
   Perfect Substitutes – Marginal Rate of Substitution is constant.

II. Indifference Curves

![Indifference Curves](image1)
![Perfect Substitutes](image2)
![Perfect Compliments](image3)
14.01SC Principles of Microeconomics
Fall 2011

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