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# Budget Lines



# Budget Lines

❖ **Budget lines constrain our consumption decisions.**



❖ **Budget lines can be varied by a number of factors. One of these factors is coupon.**

❖ **How different types of coupons affect our budget lines?**

- As we have already discussed in the previous lessons that budget lines constrain our consumption decisions.
- Our budget line can be varied by a number of factors. One of these factors is coupon.
- How different types of coupons affect our budget lines?

# Coupons



- It is not difficult to get different kinds of coupons these days.

# Budget Lines

❖ **If you have a 20% discount coupons for a fashionable watch, then how does your budget line look like?**



❖ **I give you three minutes to draw your own budget line for the watch.**

• Now if you have a 20% discount coupons for a fashionable watch, then how does your budget line look like?

• I give you three minutes to draw your own budget line for the watch on a worksheet or class exercise book. (There are two examples of budget lines with coupons in Appendix I).

• After three minutes, teacher can ask a students to draw the budget line on board and let everyone have the basic understanding of how to draw a budget line for a good with coupon.

# Coupons

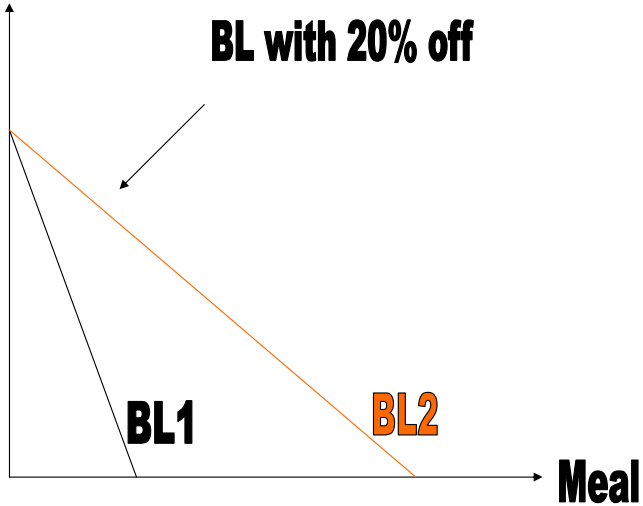
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- I have searched some coupons for you and I will distributed one to each of you ( If you don't have enough coupons for every student, you can pair them up and give one to each pair).
- Please draw a budget line for the good with the coupon you hold when you receive that coupon.
- Distribute each student a worksheet which has a real and valid coupon attached on it. Allow students to discuss with their neighbor.
- Teacher can also provide some written or verbal guiding questions to students if necessary.

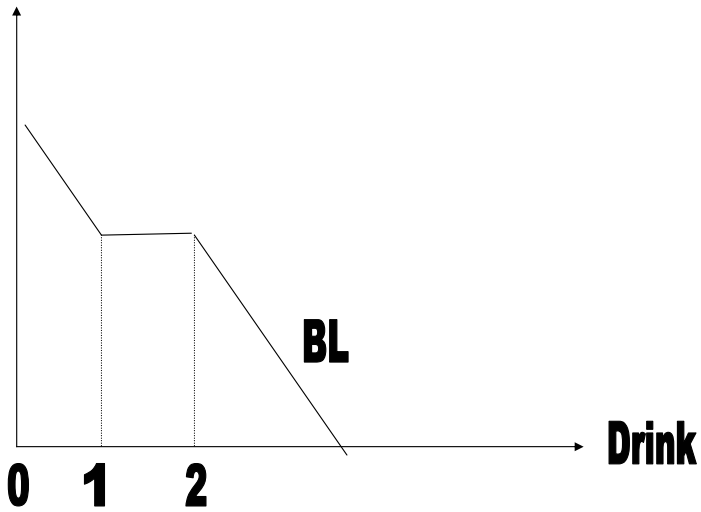
# 20% Off

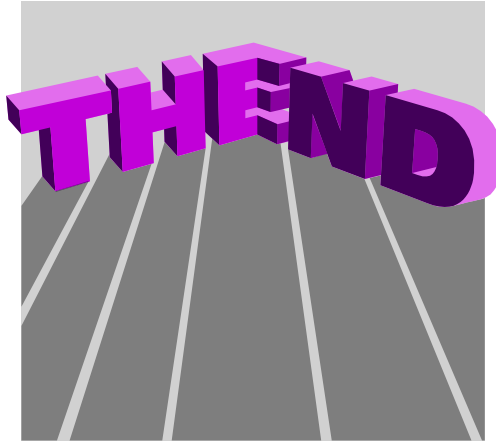
Money Income



# Buy one, get one free

Money Income





- Award students with the coupon on completion of the exercise.