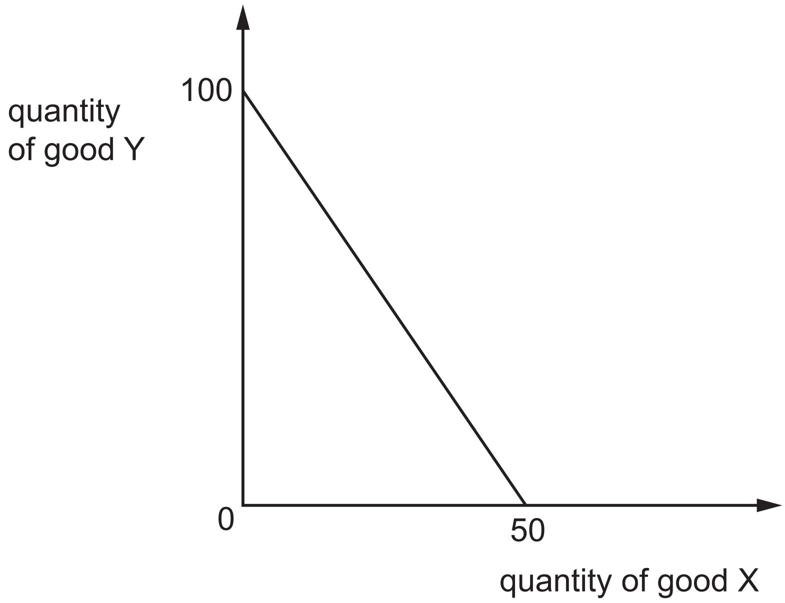
2 The diagram shows a consumer's budget line.



What determines the slope of the budget line?

A the marginal rate of substitution of good X for good Y

B the price of good X multiplied by the price of good Y

C the ratio of the price of good X to the income of the consumer

D the ratio of the price of good X to the price of good Y

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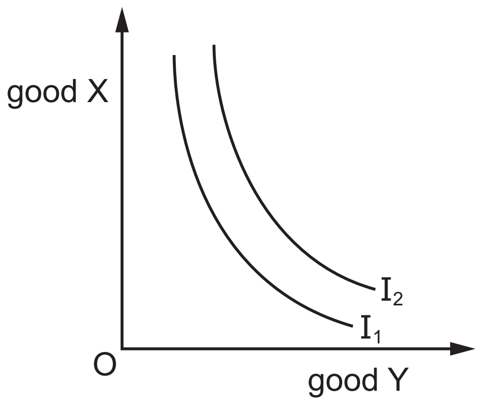
2 The diagram shows two indifference curves.



What do indifference curves indicate?

A Consumers get more satisfaction on curve I_1 from consuming more of X and less of Y.

B Consumers get more satisfaction on curve I_2 from consuming less of X and more of Y.

C Each point on the curve represents the marginal rate of substitution of good X for good Y.

D Movement from I_1 to I_2 cannot be made unless the indifference curves cross.