We can repeat this process by increasing the quantity of movies by one unit and then solve for the quantity of soda. For example

If $Q_{movies} = 1$ then $40 = (8x1) + 4 Q_{soda}$ then, $40 - 8 = 4 Q_{soda}$ $Q_{soda} = 32/4 = 8$ sodas.

And do the same for $Q_{\text{movies}} = 2,3,4$ and we will reach that the maximum is 5 movies. This shows that the following are the consumption possibilities this consumer can afford

Consumption Possibility	Quantity of Movies	Quantity of Soda
Α	0	10
В	1	8
С	2	6
D	3	4
Е	4	2
F	5	0

Real Income

When the consumer is only buying movies or only sodas, they spend their entry income on one good. This means consumption possibility A is calculated by the seal income in terms of soda: Income / $Price_{soda}$ and the consumption possibility T is calculated by the real income in terms of movies: Income / $Price_{model}$, scan income shows the income in terms of a specific good instead of income y terms. Real In One in terms of soda means that the consumers income can be equivalently decar bed as 10 sodas or \$40.

Income / Price of movie = 40 / 8 = 5 movies

Relative Price

It is obvious from the consumption possibilities that if the consumer wants to spend the same income, given those prices, then every time the consumer wants to buy more of any good they will give up some amount of the other. From price can calculate the opportunity cost or the amount a consumer must give up from one good to buy an additional unit of another. If the price of a movie is \$8 and the price of one soda is \$4, then watching an additional movie means the consumer will give up 2 Qsoda because 8/4 = 2. Price of movie / price of Soda is the relative price of movie, or the opportunity cost of one movie.

The relative price shows the price of one good in terms of the other.

An easier way to get the consumption possibilities is generated from the relative price and real income operations. If the consumer wants to watch any additional movie they will have to give up two soda because of their relative price, which is always the same because prices and income do not change. Any additional movie will cost \$8. We can start by calculating real income in terms of both goods then calculate the opportunity cost