

BEHAVIORAL ANALYSIS OF NON-DURABLE CONSUMPTION EXPENDITURES: A CASE STUDY OF WAH CANTT

Salma Bibi

Lecturer university of Wah,
Wah Cantt
Pakistan
Salma_uw@yahoo.com

Irum Nawaz

BS(Hons) University of Wah,
Wah Cantt
Pakistan
nawaz_ammam@yahoo.com

Rukhsana Naheed

Lecturer university of
Wah, Wah Cantt
Pakistan
Rukh560@yahoo.com

ABSTRACT

Consumption being the major and stable component of GDP has been the focus of attention by many economists. The present case study is an attempt to develop a Behavioral Consumption Function of household for area of Wah Cantt by using primary data (sample questionnaire). The objective of the study is to empirically test not only the validity of REPIH theory presented by Hall (1978) for overall data set but also for each income level. The study finds that single particular consumption group verifies the Rational Expectations Permanent Income Hypothesis.

Keywords: Behavioral Consumption Function, household, REPIH theory