

# Suppose WARP is violated

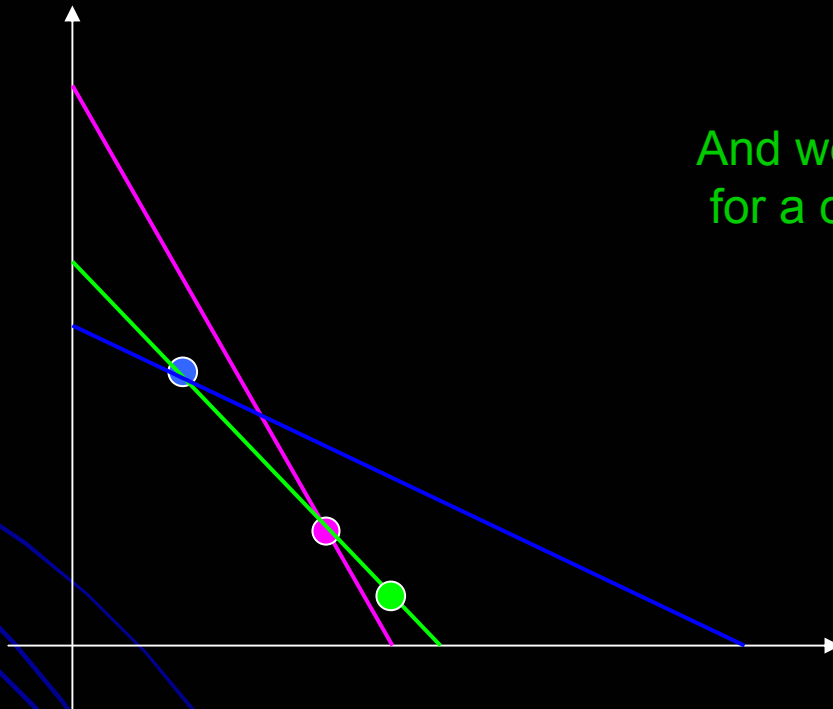
Does this mean that WARP is violated for some compensated price change?

YES



# Construct a compensated change

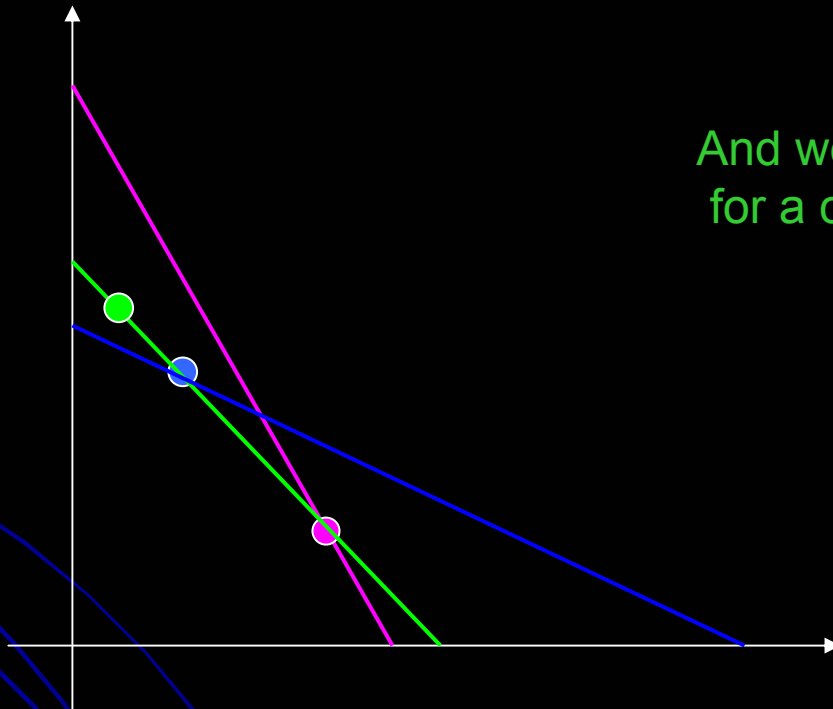
Either the new choice is below the blue line:



And we have a violation of WARP  
for a compensated change

# Construct a compensated change

Or the new choice is below the pink line:



And we have a violation of WARP  
for a compensated change

- Thus, a violation of WARP must mean that there exists a compensated price change for which there is a violation of WARP, i.e.,

WARP is equivalent to

*'WARP for compensated price changes'*