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#1

12. Five consumers have the following marginal utility of apples and pears:

	Marginal Utility of Apples	Marginal Utility of Pears	$\frac{MU_x}{P_x}$	$\frac{MU_y}{P_y}$
Claire	6	12	6	6
Phil	6	6	6	3
Haley	6	3	6	1.5
Alex	3	6	3	3
Luke	3	12	3	6

The price of an apple is $1, and the price of a pear is $2. Which, if any, of these consumers are optimizing their choices of fruit? For those who are not, how should they change their spending?

From $\frac{MU_x}{MU_y} = \frac{P_x}{P_y}$

$\frac{MU_x}{P_x} = \frac{MU_y}{P_y}$

According to the table, it shows that Claire and Alex had optimized their choices

Phill and Haley should buy more Apples as they give more utility per one unit cost. Luke should buy more pear as it gives more utility per one unit cost.