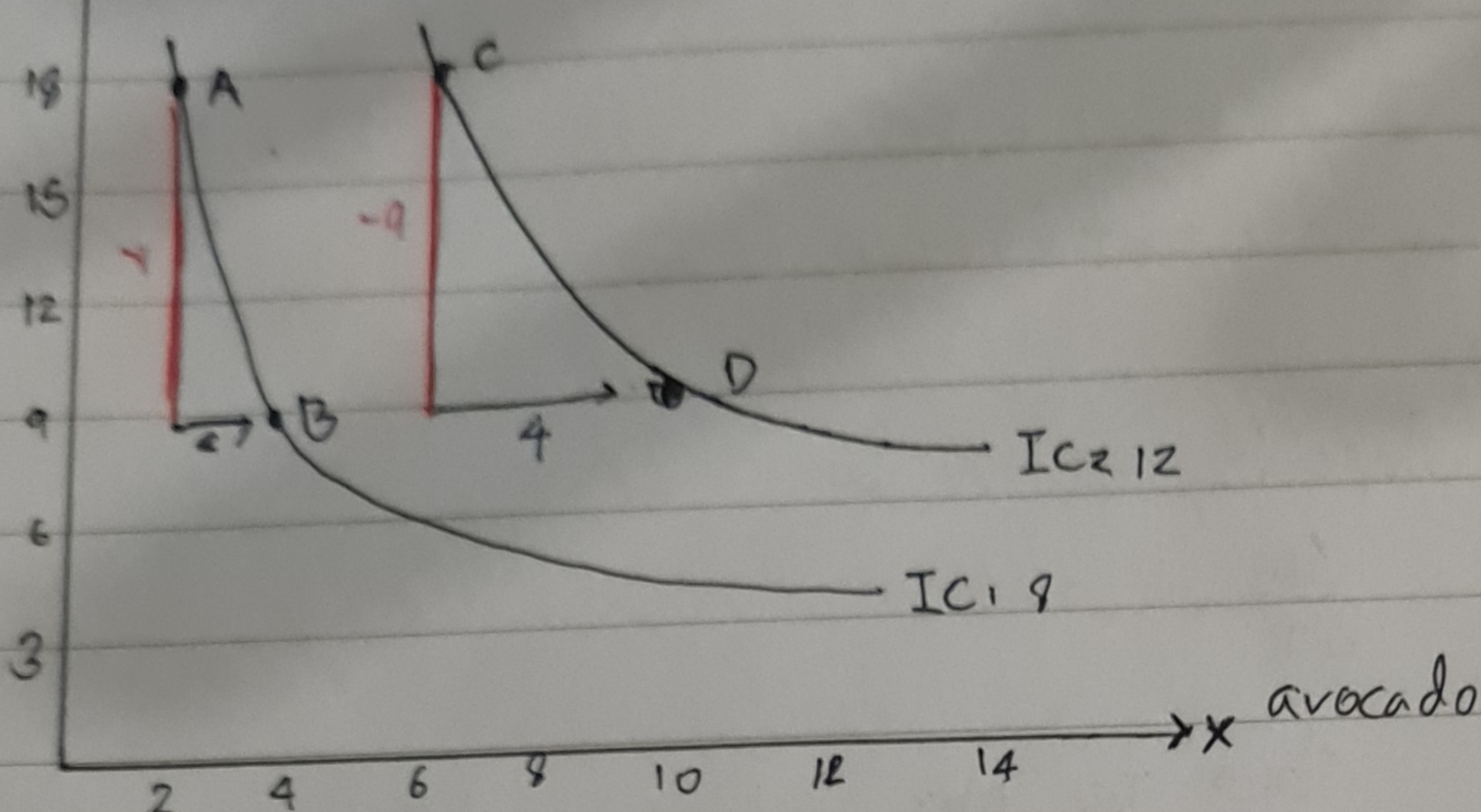


Assignment

2) y avocado nuts



2a) max ; slope BL : slope IC

$$-\frac{P_x}{P_y} = -\frac{q}{z}$$

$$\frac{P_x}{10} = \frac{9}{z}$$

$$P_x = \frac{90}{z} = \underline{\underline{45}}$$

2b) max slope BL : slope IC

$$\frac{b_x}{p_y} = \frac{q}{z}$$

$$\frac{180}{p_y} = \frac{9}{z}$$

$$p_y = \underline{\underline{40}}$$

BL : $I = P_x X + P_y Y$

$$I = (180)(4) + (40)(9)$$

$$I = \underline{\underline{1080}}$$

c) we know that from C to B, this consumer -4 lose utility, consuming a unit less of nuts
from B to D, the consumer gain +4 utility, consuming 4 unit of avocados

$$\text{Average utility} = \frac{4}{4} = 1$$

D) From both IC1 and IC2

For IC1, from a to b this

customer give 9 nut for 2 avocado

For IC2, from c to d this

customer give 9 nut for 4 avocado

since from a to 18 units must be

equal on both IC, we can see that require more and more avocado to maintain the same amount of utility

For slope IC1, $-\frac{q}{z} = -4.5$ and IC2 $-\frac{q}{z} = -2.25$

This show we trade y at the constant rate but require more than more x. we will say that Max less is decreasing since we require more x for the same utility