

1. A)  $-\frac{x_2}{x_1}$

B)  $-\frac{3x_2}{x_1}$

C)  $-\frac{x_2}{x_1}$

D)  $-\frac{2}{3}x_1$

E)  $-\frac{x_2}{x_1}$

F)  $-\frac{1+x_2}{x_1}$

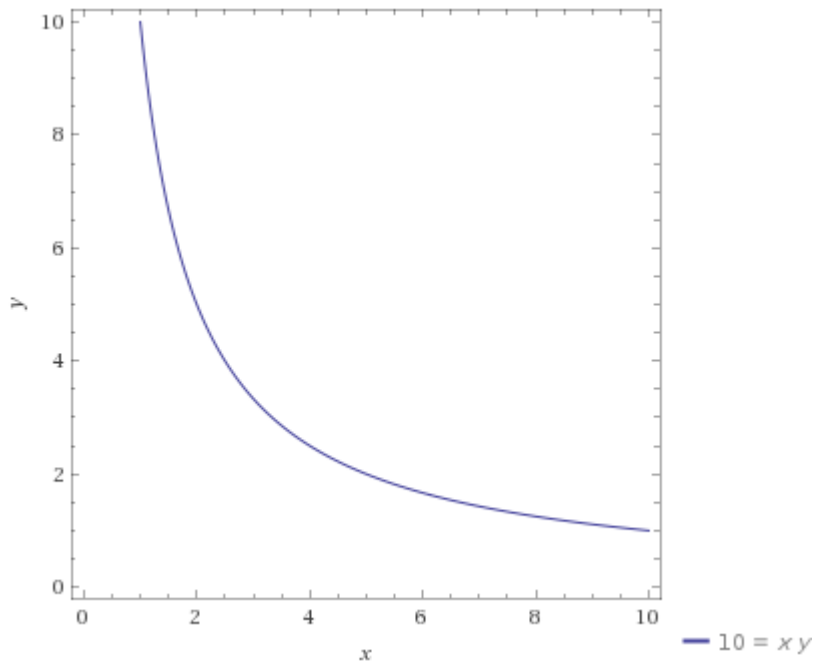
A,C,E have the same preferences.

2) A) L-shaped graphs with kinks along the 45-degree line  $x_1 = x_2$

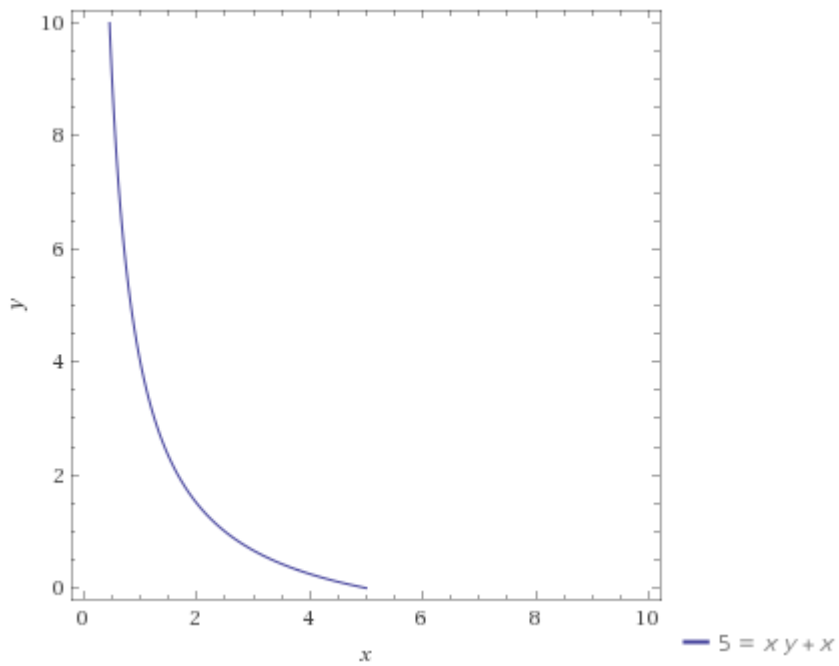
B) Same as part A.

C) L-shaped graphs that bend the opposite way as part A with kinks along the line  $x_2 = 2x_1$ .

D) This utility function represents the same preferences as  $x_1x_2$  and so the indifference curves are nice convex curves that approach but never reach either the X or Y axis.



E) These indifference curves look like the ones above but are all shifted down by one. This means they are nice and curvy convex shapes but they do intercept the x-axis.



- 3) A) Any amount of  $x_1$  and  $x_2$  that cost 10.  
B)  $x_1 = 5, x_2 = 2.5$   
C)  $x_1 = 6, x_2 = 2$   
D)  $x_1 = \frac{10}{3}, x_2 = \frac{10}{3}$   
E)  $x_1 = 2, x_2 = 4$