

1.

A) A mathematical representation of a consumers preferences that for any pair of things, indicates whether the person likes the first at least as much as the second thing.

B) The amount of one good that a consumer is willing to give up to get another good.

C) It means that if the price of that good goes up by 1%, the amount of the good the consumer buys will go down by 1%.

2.

A) Greater than.

B) Inferior.

C) Monotonic

3.

A) $4x_1 + p_2x_2 = 20$

B) Perfect Substitutes

C) -1

D) 4

E) 0 if it is slower. $x_1 = \frac{m}{p_1}$ if it is higher.

4.

A) Normal

B) Ordinary

C) Line through the origin with slope of $\frac{1}{2}$

D) $\frac{\partial\left(\frac{p_2}{p_1} \frac{m}{p_1}\right)}{\partial p_1} \frac{p_1}{\frac{p_2}{p_1} \frac{m}{p_1}} = -2$

E) $x_1 = 20, x_2 = 0$. After the price change $x_1 = 5, x_2 = 10$

F) 10 of the 15 unit change in demand is due to substitution

5.

A) $x_1 + x_2 = 10$

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

C) $x_1 = 5$

D) Seller.