

2) 1) Initially there is a large difference b/w eigenvalues and decreases fastly and after around 10 eigenvalues, others are very small. We can discard them and still preserve more than 90% features using only first 10 eigenvalues.

2) Yes, they are orthonormal. To verify,  
 $U^T U$  and  $V_h V_h^T$  should be Identity matrix  $I$   
as  $\begin{cases} u_i^T u_j = 1 & \text{for } i=j \\ u_i^T u_j = 0 & \text{for } i \neq j \end{cases}$  and similar with  $V_h$ .