

$$\max (\theta c^{\nu} + (1-\theta)(d^{\nu}))$$

$$\text{s.t. } c + pd = Y$$

$$\mathcal{L}(c, d, \lambda) = \theta c^{\nu} + (1-\theta)d^{\nu} + \lambda(Y - c - pd)$$

$$\frac{\partial \mathcal{L}}{\partial c} = 0; \quad \theta \nu c^{\nu-1} + \lambda(-1) = 0 \quad (1)$$

$$\frac{\partial \mathcal{L}}{\partial d} = 0; \quad (1-\theta) \nu d^{\nu-1} + \lambda(-p) = 0 \quad (2)$$

$$\frac{\partial \mathcal{L}}{\partial \lambda} = 0; \quad c + pd = Y \quad (3)$$

$$(1) \text{ in } (2); \quad \therefore \theta \nu c^{\nu-1} \neq \lambda = \frac{1}{p} (1-\theta) \nu d^{\nu-1} \quad (1) \text{ in } (2)$$

$$\therefore p \frac{\theta}{1-\theta} c^{\nu-1} = d^{\nu-1}$$

$$\therefore d = c \left[p \frac{\theta}{1-\theta} \right]^{\frac{1}{\nu-1}} \quad (4)$$

$$(4) \text{ in } (3): \quad c + pc \left[p \frac{\theta}{1-\theta} \right]^{\frac{1}{\nu-1}} = Y$$

$$\therefore c \left[1 + p \cdot p^{\frac{1}{\nu-1}} \left(\frac{\theta}{1-\theta} \right)^{\frac{1}{\nu-1}} \right] = Y$$

$$\therefore c \left[1 + p^{\frac{\nu}{\nu-1}} \left(\frac{\theta}{1-\theta} \right)^{\frac{1}{\nu-1}} \right] = Y$$

$$\therefore c = \frac{Y}{\left[1 + p^{\frac{\nu}{\nu-1}} \left(\frac{\theta}{1-\theta} \right)^{\frac{1}{\nu-1}} \right]}$$