Canvas Quiz

Chapter 04 - Utility Maximization

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Most Difficult Canvas Quiz Questions

Question 03

Assuming that the MRS $\neq$ price ratio, which of the following are potential utility-maximizing bundles for a perfect substitutes utility function?

- $\left(0, \frac{M}{P_y}\right)$
- $\left(\frac{M}{P_x}, \frac{M}{P_Y}\right)$
- $\left(\frac{M}{P_x}, M\right)$
- Any bundle from the budget is utility-maximizing

Question 06

Using $U(x, y) = x \cdot y^3$ and $(P_x, P_y) = \left(2, \frac{1}{2}\right)$. If $M = 40$, what are the utility-maximizing demands x^* and y^*?

Question 09

If $\frac{MU_x}{P_x} < \frac{MU_y}{P_y}$, is the indifference curve steeper or flatter than the budget?

- Steeper
- Flatter