

Disutility

B's marginal disutility

$$u_x^B = 2\beta(T^B - x)$$

$$\beta = \frac{1}{2}$$

-A's marginal disutility

$$-u_x^A = -2\alpha(T^A - x)$$

$$\alpha = \frac{3}{4}$$

$$\alpha = \frac{1}{2}$$

$$-u_x^A(x')$$

g

$$-u_x^A = u_x^B$$

i

$$\beta = \frac{1}{4}$$

j

$$u_x^B(x')$$

h

$T^A$

$T^I$

$T'$

$T^B$

Curfew,  $T$

