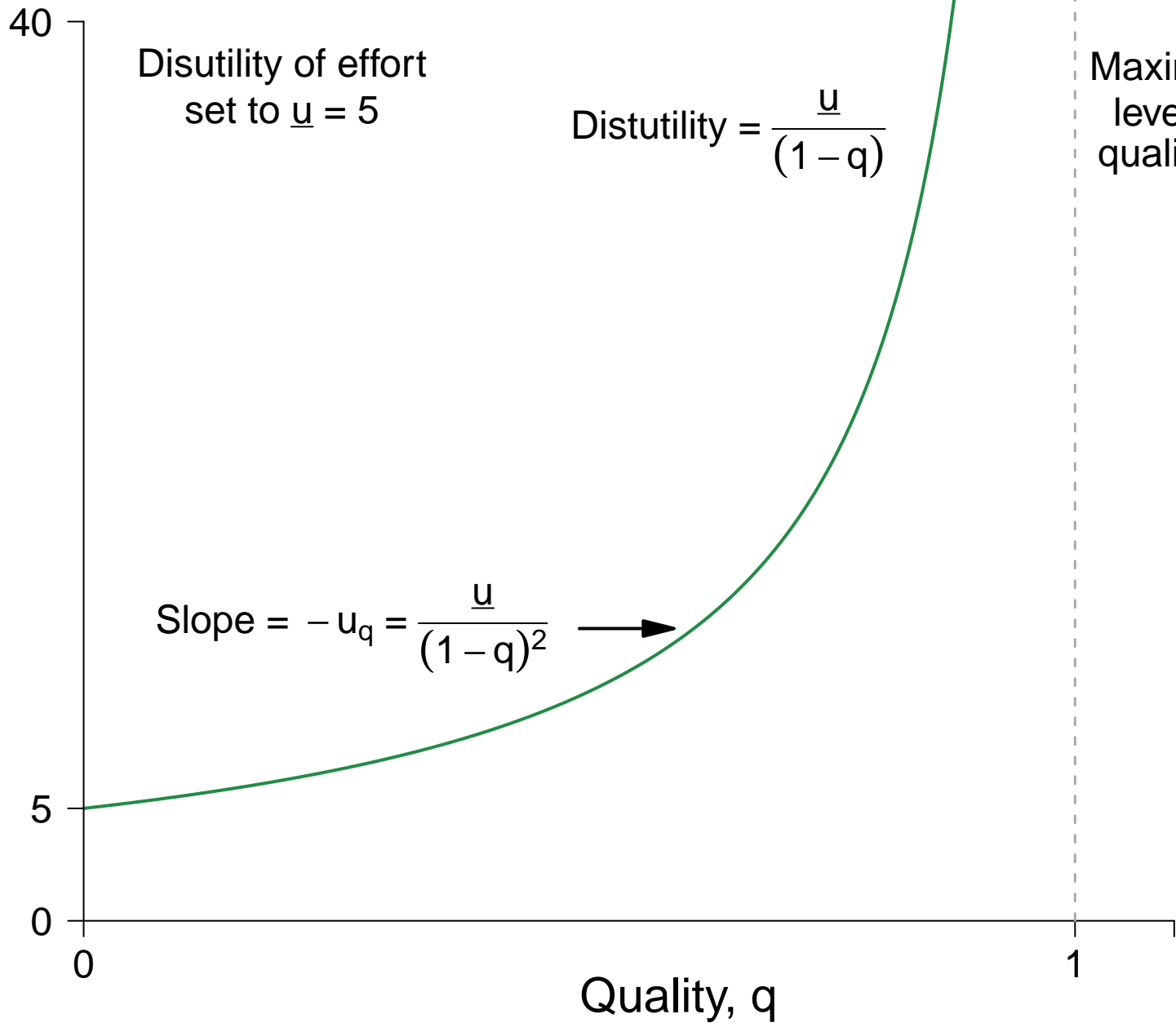


Disutility of providing quality, u



Disutility of effort
set to $\underline{u} = 5$

$$\text{Distutility} = \frac{\underline{u}}{(1-q)}$$

Maximum
level of
quality, q

$$\text{Slope} = -u_q = \frac{\underline{u}}{(1-q)^2} \rightarrow$$