

Problem 13

Monday, February 22, 2021 8:34 PM



Chris' preferences are represented by , where S is the number of pizza slices he eats and B is the number of mugs of beer he drinks. Pizza costs \$2 per slice, beer costs \$3 per mug, and Chris has \$36 to spend on beer and pizza.

a) Find the beer and pizza consumption bundle that maximizes his utility.

$36 = 2S + 3B$

There are lots of combinations that maximize \$36

S	B	S.B
0	12	0
3	10	30
6	8	48
9	6	54
12	4	48
15	2	30
18	0	0

→ I would choose this one because they're closest

b) Sketch the budget line and the indifference curve corresponding to Chris' choice.



↑
different axes

