

Figure 10.9. Storage, lending, investment, and borrowing provide Marco with many feasible sets.

Plan (point in Figure 10)	Rate of return or interest	Consumption now, Consumption later	Investment	Ranking by utility (or combined consumption)
Storage (H)	-20% (loss)	\$68, \$26	n/a	Worst (\$94)
Lending only (J)	10%	\$65, \$39	n/a	3 rd (\$104)
Investment only (K)	50%	\$60, \$60	\$40	2 nd (\$120)
Investment and borrowing (L)	50% (investment), -10% (lending)	\$80, \$62	\$100	Best (\$142)