

Given

$$a_1 = a_2 = 0$$

$$u_j = w_j - \frac{1}{4} r_j(L_j)$$

Two cities:  $L_1 + L_2 = 100$

$$w_1 = 10, w_2 = 8$$

$$r_j(L_j) = \frac{8}{4} L_j$$

Solve for eq pop levels,  $L_1^*$  and  $L_2^*$

① use locational eq

$$u_1 = u_2$$

$$w_1 - \frac{1}{4} (8 L_1^*) = w_2 - \frac{1}{4} (8 L_2^*)$$

$$10 - 2 L_1^* = 8 - 2 L_2^*$$

$$2 - 2 L_1^* = -2 L_2^*$$

$$L_2^* = L_1^* - 1$$

② use the total population constraint:

$$L_1^* + L_2^* = 100$$

$$L_1^* + L_1^* - 1 = 100$$

$$2 L_1^* = 101$$

$$L_1^* = 50.5$$

Plug into

$$L_2^* = 49.5$$