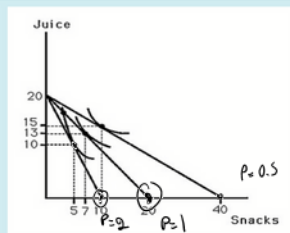


Question 7  
 Answer saved  
 Marked out of 1.00  
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The above figure shows Bobby's indifference map for juice and snacks. Also shown are three budget lines resulting from different prices for snacks assuming he has \$20 to spend on these goods. Which of the following points are on Bobby's demand curve for snacks?

Select one:

- ☐ A.  $p = 2, q = 10$
- ☐ B.  $p = 2, q = 40$
- ☒ C.  $p = 2, q = 5$
- ☐ D.  $p = 1, q = 20$

cross out

cross out

cross out

cross out

[Clear my choice](#)

Question 16

Not yet answered

Marked out of 3.00

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Suppose that Sara is contemplating whether to spend the money to buy a promotional ski card for this upcoming season. Their utility function for skiing and all other goods is given by  $U = x \cdot s + 2 \cdot x$ , such that their marginal utility for skiing is given by  $U_s = x$  and their marginal utility for other consumption is  $U_x = s + 2$ . Assume that Sara has \$600 of disposable income to allocate across these goods, and that the price of a daily lift ticket is \$100. Use a price of \$1 for the indexed other goods (i.e. the budget constraint has intercept at  $x = 600$  and  $s = 6$ ).

With no promotional discount, and assuming Sara can only ski full days, how many days should Sara ski this year?

Select one:

- ☐ a. She won't ski at all.
- ☐ b. 1 day
- ☐ c. 2 days
- ☐ d. 3 days
- ☐ e. 4 days
- ☐ f. 5 days
- ☐ g. 6 days

cross out  
cross out  
cross out  
cross out  
cross out  
cross out  
cross out

$$U = x \cdot s + 2 \cdot x$$

$$MU_s = x$$

$$MU_x = s + 2$$

$$\frac{MU_x}{P_x} = \frac{MU_s}{P_s}$$

$$\frac{x}{1} = \frac{s+2}{100}$$

$$x = P_s(s+2)$$

$$Y = 600 = P_s S + X$$

$$P_s = 100$$

$$Y = 600 = P_s S + P_s (S+2)$$

$$600 = 100S + 100S + 200$$

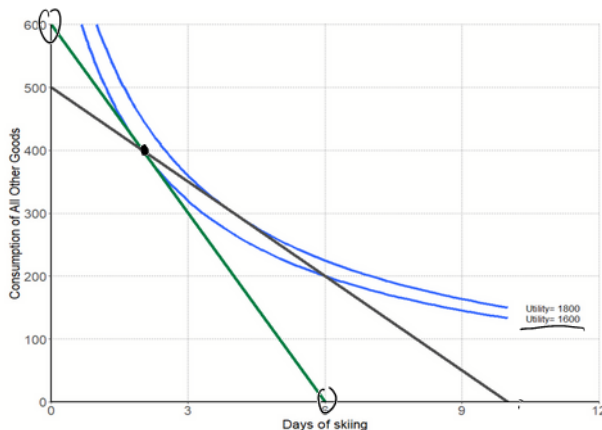
$$400 = 200S$$

$$S = 2 \quad x = 400$$

$$U = x \cdot s + 2 \cdot x$$

$$= 2 \cdot 400 + 2 \cdot 400$$

$$= 1600$$



$$600 - 100 = P_s S + P_s (s+2)$$

$$500 = 50s + 50(s+2)$$

$$= 100s + 100$$

$$400 = 100s, \quad s = 4 \quad x = 300$$

$$U = 300 \cdot 4 + 2(300)$$

$$= 1800$$

Question 17

Not yet answered

Marked out of 3.00

Flag question

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Suppose that Sara is contemplating whether to spend the money to buy a promotional ski card for this upcoming season. Their utility function for skiing and all other goods is given by  $U = x \cdot s + 2 \cdot x$ , such that their marginal utility for skiing is given by  $U_s = x$  and their marginal utility for other consumption is  $U_x = s + 2$ . Assume that Sara has \$600 of disposable income to allocate across these goods, and that the price of a daily lift ticket is \$100. Use a price of \$1 for the indexed other goods (i.e. the budget constraint has intercept at  $x=600$  and  $s=6$ .)

If a promotional discount offers Sara the chance to ski for half price, but the card costs \$100, how many days will she ski?

Select one:

- ☐ a. She won't ski at all.
- ☐ b. 1 day
- ☐ c. 2 days
- ☐ d. 3 days
- ☐ e. 4 days
- ☐ f. 5 days
- ☐ g. 6 days

cross out

cross out

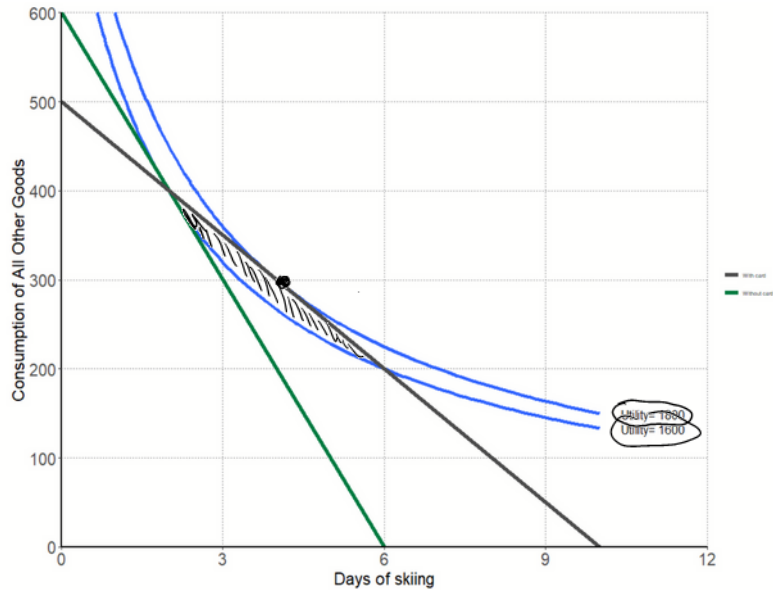
cross out

cross out

cross out

cross out

cross out



Question 18

Not yet answered

Marked out of 4.00

Flag question

Edit question

Suppose that Sara is contemplating whether to spend the money to buy a promotional ski card for this upcoming season. Their utility function for skiing and all other goods is given by  $U = x \cdot s + 2 \cdot x$ , such that their marginal utility for skiing is given by  $U_s = x$  and their marginal utility for other consumption is  $U_x = s + 2$ . Assume that Sara has \$600 of disposable income to allocate across these goods, and that the price of a daily lift ticket is \$100. Use a price of \$1 for the indexed other goods (i.e. the budget constraint has intercept at  $x = 600$  and  $s = 6$ .)

If a promotional discount offers Sara the chance to ski for \$62.50 per day, but the card costs \$100, how many days will she ski?

Select one:

- ☐ a. She won't ski at all.
- ☐ b. 1 day
- ☐ c. 2 days
- ☐ d. 3 days
- ☐ e. 4 days
- ☐ f. 5 days
- ☐ g. 6 days

cross out

cross out

cross out

cross out

cross out

cross out

cross out

$$x = p_s(s+2)$$

$$500 = 62.50s + 62.5(s+2)$$

$$= 125s + 125$$

$$375 = 125s$$

$$s = 3$$

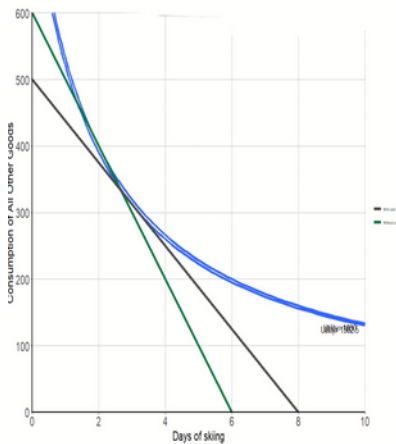
$$x = 312.50$$

$$U = x \cdot s + 2 \cdot x$$

$$U = 312.5 \cdot 3 + 312.5 \cdot 2$$

$$U = 1562.50$$

$$1562.50 < U(s=2, x=400) = 1600$$



Question 19

Not yet answered

Marked out of 5.00

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Assume that the demand for new commuter bicycles from university students is given by  $Q = 500 - 1/2p$ , and the supply is given by  $Q = (1/3)p$ . Which of the following statements is/are true?

Select all that apply:

- ☒ a. This demand function tells you that nobody in the market is willing to pay more than \$1000 for a bicycle. cross out
- ☐ b. The equilibrium price in the market is equal to \$500 cross out
- ☒ c. The equilibrium quantity in the market is equal to 200 cross out
- ☒ d. The new city mayor hates bike lanes and so he adds a \$50.00 per bicycle tax, paid for by the seller. I.e. for each bicycle sold, the vendor must remit \$50.00 to the city. The new equilibrium quantity in the market is 190. cross out
- ☐ e. If the \$50.00 licensing fee is instead imposed upon consumers at the cash register, the equilibrium quantity will be 190 and the price will be \$625.00 as the tax is split between sellers and buyers. cross out
- ☐ f. \$1000 is an excessive price to pay for a bicycle. cross out

$$P = 1000 - 2Q$$

$$500 - \frac{1}{2}P = \frac{1}{3}P$$

$$500 = \frac{5}{6}P, \quad P = 600$$

$$Q = 200$$

invert + tax

$$Q = \frac{1}{3}P$$

$$P = 3Q + 50$$

$$1000 - 2Q = 3Q + 50$$

$$5Q = 950$$

$$Q = 190$$

$$P = 620$$