

Advanced Microeconomics - Problem set 3

Due date: classes on November 13th

Problem 1 (2pt) *Consider a pure exchange economy with $u_1(x, y) = x + y$, $u_2(x, y) = \ln(x) + 2y$, $\omega_1 = (1, 0)$, $\omega_2 = (0, 1)$. Find the set of Pareto-optimal allocations and Walrasian equilibria and depict them on the Edgeworth box.*

Problem 2 (2pt) *5.4.5 from our notes.*

Problem 3 (3pt) *6.4.3 from our notes.*

Problem 4 (3pt) *6.4.6 from our notes.*