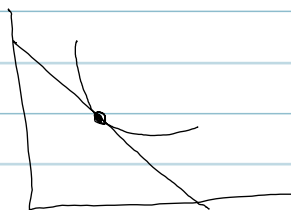
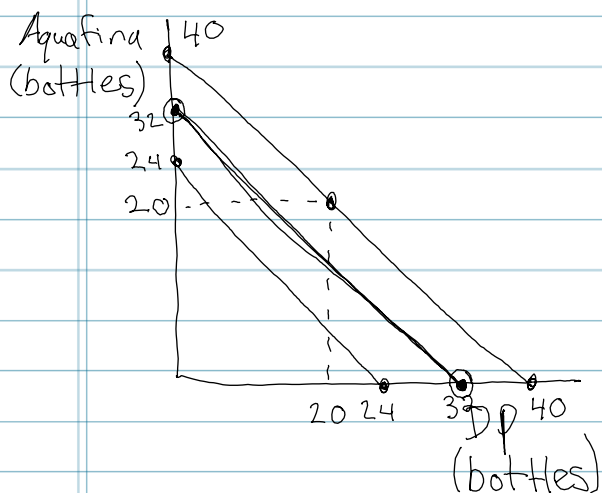


Econ 314

Indifference Curves and Budget Constraints for Perfect Substitutes

A) Deer Park	20	24	0	B. \$32/month
Aquafina	20	0	32	

DP = \$1/bottle
AQ = \$1/bottle



C. \$32/month
DP = \$2/bottle
AQ = \$1/bottle

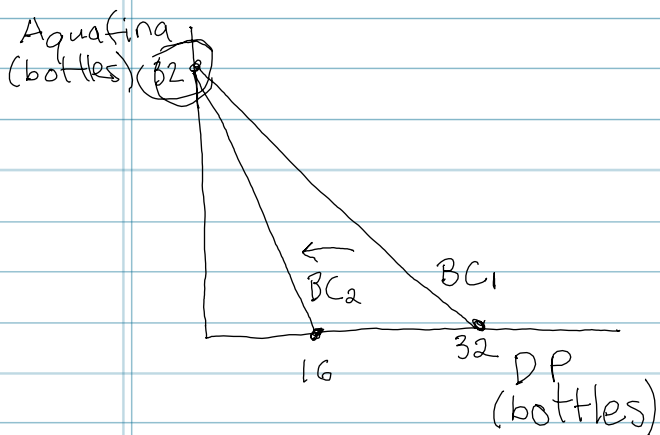
D) MRS_{DA} @ Sally's optimal choice from B) and C)

B) $MRS_{DA} = 1$

C) $MRS_{DA} = \frac{P_B}{P_A}$
 $= \frac{(2)}{(1)}$

$MRS_{DA} = 2$

Email



Email