Балаубраманан нарматханодна-25

Fundamental of economics.

1) Jill will keep buying shoes as long as long as marginal benefit $\geq$ price

a) marginal benefit 1st pair : 50 → buy

2nd pair : 40 → buy

3rd pair : 30 → buy

4th pair : 20 < 29.99 → do not buy

Jill will buy 3 pairs per year.

b) Now she buys only if marginal benefit $\geq$ 39.99.

1st pair = 50 → buy
2nd pair = 40 → buy
3rd pair = 30 $\leq$ 39.99 → shop

Jill will buy 2 pairs per year.

2) Joe buys ↑

2) Joe's marginal benefit is double Jill's

Joe buys as long as $MB \geq$ price

1^{st} pair $= 100 \rightarrow$ buy
2^{nd} pair $= 80 \rightarrow$ buy
3^{rd} pair $= 60 \rightarrow$ buy
4^{th} pair $= 40 \rightarrow$ buy
5^{th} pair $20 < 29.99 \Rightarrow$ don't buy.

Joe will buy 4 pairs of shoes per year.