Multiple Choice (3 points each):

1) Generally, in order to maximize utility a consumer must
   c. purchase an affordable bundle which gives a higher level of utility than any other
   affordable bundle.

2) Edna has income of $I = 100$ and faces prices of $p_1 = 5$ and $p_2 = 10$. The consumption
   bundle $(x_1, x_2) = (10,6)$
   a. is not affordable.

Additional Question:

1) Cindy consumes only $x_1 =$ (apples) and $x_2 =$ (bananas). In February she had income of
   $I = 60$ and the prices of these goods were $p_1 = 3$ and $p_2 = 2$. By March the price of
   apples had increased to $\bar{p}_1 = 4$ (with her income and the price of bananas unchanged).
   Graphically illustrate her monthly budget line in both February and March. Clearly label
   each intercept of each budget line, and indicate which budget line is for February and
   which budget line is for March. (4 points)