

# EXERCISE 5: Revealed Preference and Integrability

Part 1. Exercises 1.D.2, 2.F.3 (a-d), 2.F.11, 3.G.4, 3.G.6, 3.G.14, 3.H.6

Part 2 (*please do for next class*)

Two individuals, Anna and Boris, consume two goods, honey and milk and each has an income of \$1000. When the price vector is  $(10,10)$ , then Anna consumes 25 units of honey and 75 units of milk, while Boris consumes 75 units of honey and 25 units of milk. When the price vector is  $(15,5)$ , Anna's consumption bundle is  $(40,80)$ , while Boris's is  $(64,8)$ .

- a) do individual demands obey WARP?
- b) does the aggregate demand obey WARP?