05-Consumer-Choice

1 Holding your budget fixed (and the price of good *y*), if the price of good *x* increases, is your new utility generally...

- A Higher than before
- ✓ Lower than before
- C Same

2 Suppose good *x* and *y* are perfect substitutes. Holding your budget fixed (and the price of good *y*), if the price of good *x* increases, your new utility is...

- A Same, always
- ✓ Same, if you were not originally at a corner solution where you only consumed *x*
- C Higher than before
- D Lower than before

SURVEY

3 Congress has decided to give $2K annually to every adult citizen whose income is below the poverty level. Would you prefer that...

- A The $2K can be spent <u>only</u> <u>on necessities</u>: *Housing, transportation, food-at-home, clothing, utilities, healthcare, and education*
- B The $2K can be spent <u>as desired</u> (unrestricted cash)
- C No preference
- D Other (please be prepared to explain)

SURVEY

4 Based on the findings of Bleemer and Mehta 2022, do you think that if *all MIT students* switched to course 14 they would have higher earnings?

- A Yes
- B No
- C Uncertain