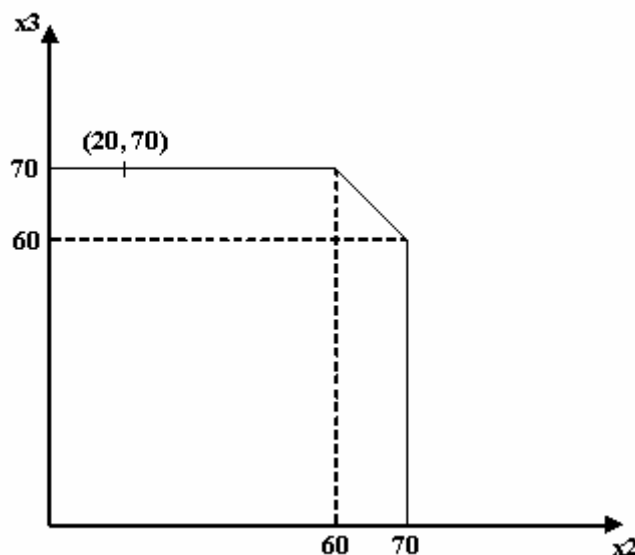


**Unofficial Suggested Solution to Midterm 1 Bonus Question**

*\*Special Thanks to Henry Chau for pointing out the correct answer*



The way to tackle this question is to first realize that what Polly Sigh cares only about the scores from  $x_2$  and  $x_3$ ; the two midterms are totally identical to her in all other aspect. This means that the indifference curve is going to be symmetric—what happens at a point  $(a,b)$  must also be true for  $(b,a)$ , with the adjustment of turning 90-degrees counterclockwise.

Consider what happens when  $x_3 = 70$  and  $x_2 < 60$ . In this case since  $x_2 < x_1 < x_3$ ,  $x_2$  will be dropped and her average score is  $(x_1 + x_2)/2 = (60 + 70)/2 = 65$ . So Polly's utility is the same throughout the whole region; the indifference curve is thus a horizontal line. By symmetry, we have a vertical line for  $x_2 = 70$  and  $x_3 < 60$ .

Now what happens when  $x_2, x_3 > 60$ ? In this case  $x_1 < x_2, x_3$ , so  $x_1$  will be dropped. The average score is  $(x_2 + x_3)/2$ . Since we know the average score—which Polly's utility depends on—is 65 at  $(20,70)$ , we set  $(x_2 + x_3)/2 = 65$ ; this gives a linear function  $x_3$  of  $x_2$ :  $x_3 = 130 - x_2$ , a downward-sloping line segment connecting  $(60,70)$  and  $(70,60)$ .