Due date: To be collected at the beginning of class on Tuesday, September 29.

Note: The usual policy on cheating and plagiarism applies for this exercise.

1. Do question 3a only on page 178 (also 3a in the 2/e).
   a. First illustrate your answer with a diagram.
   b. Use mathematics to find the comparative statics results of \( \frac{dY}{dK}, \frac{dC}{dK}, \frac{dl}{dK}, \) and \( \frac{dw}{dK} \). In the case of \( \frac{dl}{dK} \), demonstrate the income and substitution efforts separately.

2. Do question 7 on p. 225 in the 3/e (I believe it is the same question in the 2/e). For part (c), illustrate your answer with a diagram.