Problem Set 3  
Econ 4113  
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Due: February 12, 2004

**Problem 1:** Find the stationary values in (a)-(d) of Problem 12.2-1 (p. 378) from Chiang using the Lagrangean method.

**Problem 2:** For given $r, w, Q > 0$, solve 
\[
\max rK + wL \quad \text{subject to } \sqrt{K} + \sqrt{L} = Q, K \geq 0, L \geq 0
\]
using the Lagrangean method. (Cf. Exercise 2.3 (p. 23) from Dixit.)

**Problem 3:** Do Exercise 3.3 from Dixit.