

1

- a. 100
- b. 1, 1/4
- c. 1/4 grain
- d. 4 oil
- e. 99.75

2.

- a. 2/3 grain
- b. 3/2 oil
- c. U, U
- d. U, K
- e. (see notes)
- f.
- g. U won't sell 100 units of grain to K for less than 150 units of oil  
U won't sell 1 unit of grain to K for less than 3/2 units of oil  
... U won't accept less than their opportunity cost  
  
K won't buy 100 units of grain from U for more than 400 units of oil  
K won't buy 1 unit of grain from U for more than 4 units of oil  
...K won't pay more than their opportunity cost