Guide to answering “essay type” questions

General: The answer below is an example of one that would have got an A. You may not have needed the whole answer to get an A nor is it the only solution for which an A might have been awarded. The main points are:
(1) that you should answer all parts of the question.
(2) use the model to address the question. Then interpret the implication of the model.
(Rather than simply trying to answer the question from common sense or simply guess work.) The way to demonstrate this is by providing the appropriate diagram.

Question:
Describe a model which can be used to address the amount of time spent by married couples working in the market and working at home. Suppose the husband has the relatively greater ability to bring home market goods. What outcomes are possible as to their chosen patterns of work? How does this change if the wife has the greater ability to bring home market goods?

Answer:
Model: We assume that each household (made up of a husband and wife) has preferences over market and household goods. Indifference curves are downward sloping and convex to the origin. The set of opportunities available to the household is restricted by the ability of the husband and wife to bring home market goods and produce home goods and services. Both types of goods are measured in dollars.

Figure 1
Figure 1 shows how the opportunity set is constructed. The line marked “h” represents the set of opportunities available to the husband alone. The line marked “w” indicates the wife’s opportunity set when alone. The husband’s line is steeper because the question specifically states that he is relatively more productive in the market. The line marked “Frontier to H/H opportunity set” indicates the set of opportunities available to the household. As the husband is more productive in the market the household opportunity set will be biggest if he is sent to work in the market first. The relevant portion of the frontier is therefore parallel to the curve marked “h”. For the household to get even market goods than he can provide, the wife has to go to the market to work as indicated by the portion of the frontier parallel to the line marked “w”.

Also on Figure 1, 5 types of preferences have been indicated by sample indifference curves. Each leads to a different type of outcome:

(1) Both h and w work full-time at home
(2) h works part-time in market w works full-time at home
(3) h works full time in market, w works full-time at home
(4) h works full-time in market, w works part-time in market
(5) both work full-time in market

(NB: both work part-time in the market is ruled out.)

If the wife has the relatively greater ability to bring home market goods, the labels on curves h and w are reversed as would be the h and w in the possible outcomes enumerated above.