Compensation - Rooms (front)

Blair and Devin see an ad for this apartment for \$700/mo. Blair is willing to pay \$425 per month for the master bedroom or \$300/mo for the other bedroom. Devin is willing to pay \$350/mo for the master bedroom, or \$325/mo for the other bedroom.

Why is it reasonable for them to rent this place? Explain why by answering the following questions:

Who should get which room?

How much should each pay per month?

Blair, Charlie, and Devin see an ad for a 3-bedroom apartment for \$1000/mo. Blair is willing to pay \$435/mo for the master bedroom, \$345/mo for the square bedroom, or \$305 per month for the long bedroom. Charlie is willing to pay \$365/mo for the master bedroom, \$295/mo for the square bedroom, or \$315/mo for the long bedroom. Devin is willing to pay \$305/mo for the master, \$350/mo for the square, or \$265/mo for the long.

Is it reasonable to rent this place? Explain how or why not:

Who should get which room?

	Mast	Square	Long
B	435	345	305
C	365	295	315
D	305	350	265

How much should each pay per month?

Alex, Charlie, Dakota, and Emerson are getting a 4 bedroom apartment for $1200 per month. They value the rooms according to the following chart (feel free to ignore the "total" parts if they are not helpful):

	Mast	Long	Square	Small	Total
Amari	$ 250	$275	$ 350	$200	$1075
Charlie	$ 300	$225	$ 375	$350	$1250
Dakota	$ 350	$200	$ 150	$150	$ 850
Emerson	$ 325	$250	$ 275	$150	$1000
Total	$1225	$950	$1150	$850	$4175

Typical Four-Bedroom Floor Plan

1. What is wrong with giving everyone their favorite room?

so Amari and Charlie get the square bedroom, and Dakota and Emerson get the master bedroom.

2. What is wrong with giving the room to whoever wants it most?

so the master bedroom goes to Dakota, the long bedroom to Amari, the square bedroom to Charlie, and the small bedroom to Charlie.

3. What is wrong with just giving out the rooms in the order they are written?

so the master bedroom goes to Amari, the long bedroom goes to Charlie, the square bedroom goes to Dakota, and the small bedroom goes to Emerson.

4. Give a feasible way to split the rooms, so that the renters are willing to pay enough to cover the rent. You don't need to worry about the leftover money (I'll take it ;-).