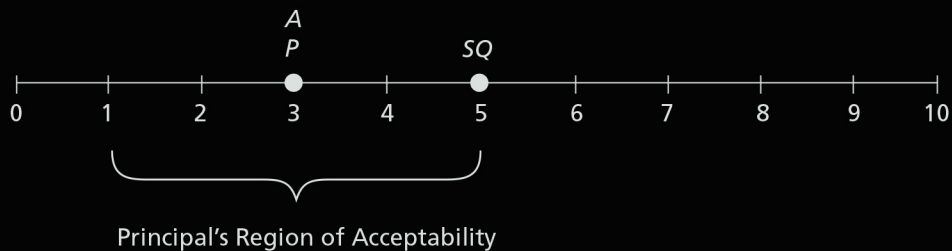
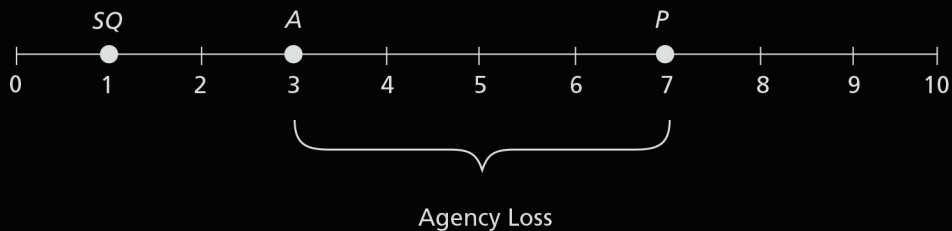


FIGURE 12.8**Various Principal-Agent Scenarios**

a. The Principal and Agent Share the Same Preferences



b. The Principal and Agent Have Different Preferences I



c. The Principal and Agent Have Different Preferences II

