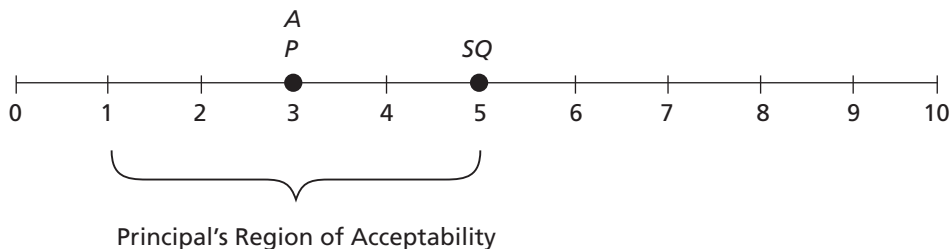
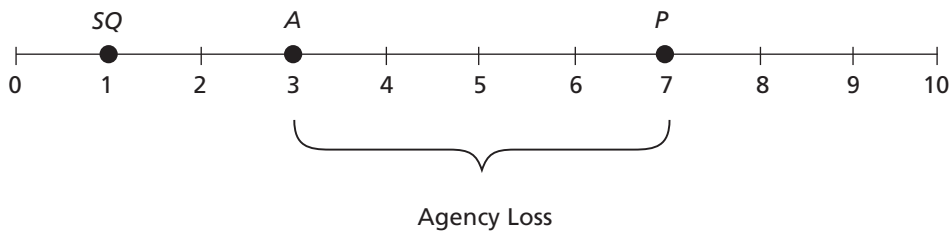


**FIGURE 12.8****Various Principal-Agent Scenarios**

- 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

