For each scenario listed below, identify the principal(s) and agent(s). More than one pair may be present. Then for each pair, suggest a way the principal could constrain the agent’s behavior (either an actual existing way or one that the principal could create). Use the reverse if you need more space.

1. Small-town citizens are electing a mayor.

2. Legislators are crafting a bill to ensure that the bureaucracy implements a welfare program in a non-discriminatory manner.

3. Americans elect an Electoral College to select the President.

4. Residents of a large city are electing a mayor, who will then appoint a city manager to handle most administrative issues and a police chief who will implement a controversial crime-reduction plan.

5. Britons elect MPs. MPs and a number of others elect a party leader, who then becomes Prime Minister if he/she wins a majority of parliamentary seats.