This exam is married couples working and earning wages. Answer both questions. The first question is worth 65 points, and the second is worth 35 points.

1) You are given a cross-section data set with information on some explanatory variables of interest, labor force participation, and wages of those who work for a large number of couples. Without making specific function form assumptions about utility functions, describe in detail how to estimate a model of joint labor force participation decisions of the couple and wage determination.

2) Describe in detail how to add a nonlinear tax schedule into your exercise. Note that you still should not make functional for assumptions about utility functions.