These solutions are written at the request of students. Please let me know if you don't understand these solutions; I'm happy to expand on them if necessary.
7. Show that if $A=\left[\begin{array}{ll}a & b \\ c & d\end{array}\right]$ is an element of $G$, then

$$
A^{-1}=\left[\begin{array}{cc}
\frac{d}{a d-b c} & -\frac{b}{a d-b c} \\
-\frac{c}{a d-b c} & \frac{a}{a d-b c}
\end{array}\right]
$$

is its inverse. Again, you must show both that $A^{-1} * A=I$ and $A * A^{-1}=I$. Also, you should show that $A^{-1}$ is an element of $G$.

Solution: First we show that the matrix $A^{-1}$ defined above is an element of $G$. That is, we show that

$$
\left(\frac{d}{a d-b c}\right)\left(\frac{a}{a d-b c}\right)-\left(-\frac{b}{a d-b c}\right)\left(-\frac{c}{a d-b c}\right) \neq 0 .
$$

This simplifies very quickly:

$$
\left(\frac{d}{a d-b c}\right)\left(\frac{a}{a d-b c}\right)-\left(-\frac{b}{a d-b c}\right)\left(-\frac{c}{a d-b c}\right)=\frac{a d-b c}{(a d-b c)^{2}}=\frac{1}{a d-b c} .
$$

Since $a d-b c \neq 0$ (since $A$ is an element of $G$ ), this term is defined but non-zero.
Now we compute the product $A^{-1} * A$ and show that this is $I=\left[\begin{array}{ll}1 & 0 \\ 0 & 1\end{array}\right]$. The computation isn't pretty, but it follows from the definition of the product:

$$
\begin{aligned}
A^{-1} * A & =\left[\begin{array}{cc}
\frac{d}{a d-b c} & -\frac{b}{a d-b c} \\
-\frac{c}{a d-b c} & \frac{a}{a d-b c}
\end{array}\right]\left[\begin{array}{cc}
a & b \\
c & d
\end{array}\right] \\
& =\left[\begin{array}{cc}
\frac{d}{a d-b c} \cdot a-\frac{b}{a d-b c} \cdot c & \frac{d}{a d-b c} \cdot b-\frac{b}{a d-b c} \cdot d \\
-\frac{c}{a d-b c} \cdot a+\frac{a}{a d-b c} \cdot c & -\frac{c}{a d-b c} \cdot b+\frac{a}{a d-b c} \cdot d
\end{array}\right] \\
& =\left[\begin{array}{cc}
\frac{a d-b c}{a d-b c} & \frac{b d-d b}{a d b c} \\
-\frac{a c+a c}{a d-b c} & \frac{-c b+a d}{a d-b c}
\end{array}\right] \\
& =\left[\begin{array}{ll}
1 & 0 \\
0 & 1
\end{array}\right]=I .
\end{aligned}
$$

The product $A * A^{-1}$ is similar.

