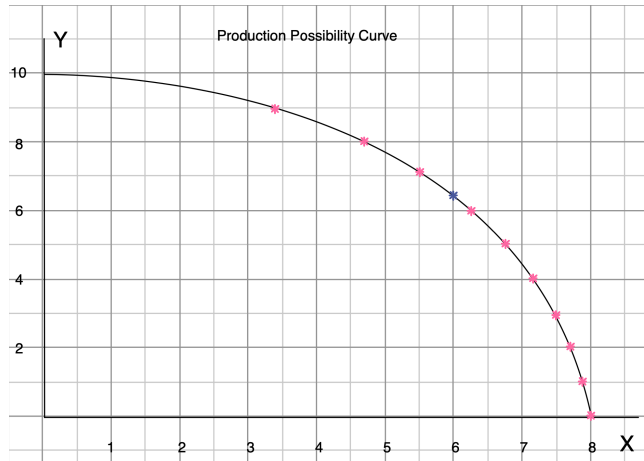


- Knowing the slope, we can approximate if we have 0.1 unit more of x , i.e., $\Delta x = 0.1$, the amount of y we have to sacrifice =

HW Nonlinear PPC



- a) Find the opportunity cost of each additional unit of y in terms of units of x

y	x	Opp. Cost of y
0	8	
1	7.8	0.1
2	7.7	0.1
3	7.5	0.2
4	7.2	0.3
5	6.8	0.4
6	6.2	0.6
7	5.5	0.7
8	4.7	0.8
9	3.4	1.3
10	0	3.4

- b) Is the opportunity cost of y increasing? *yes*
c) Compute the opportunity cost per unit of y when $x = 6$. *$y = 6.4$*
d) At $x = 6$, approximate how much more x can be produced if we have y less by 0.2 units.

At point E, the slope is -1.5

if we have 0.2 unit less of $y = \Delta y = -0.2$

$$(-1.5)(-0.2) = 0.3$$

we will have ≈ 0.2 less of x

Can a PPC have positive slope? *yes*