

Name: ID:

Quiz 5:

1. Consider the production function $Q = (K^{\frac{1}{3}} + L^{\frac{1}{3}})^3$.
 - a) Show that this function exhibits constant returns to scale.
 - b) Set up the firm's cost minimization problem, solve the problem, and check for the second-order condition.
 - c) show that the cost function can be expressed as unit cost multiplied with quantity produced.