

HW#10 Due November 10, 2020

4. Nimbus, Inc., makes brooms and then sells them door-to-door. Here is the relationship between the number of workers and Nimbus's output during a given day:

200+100q

Workers	Output Q	Marginal Product	Total Cost	Average Total Cost	Marginal Cost
0	0		200	0	
		20			5
1	20		300	15	
		30			3.3
2	50		400	8	
		40			2.5
3	90		500	5.5	
		30			3.3
4	120		600	5	
		20			5
5	140		700	5	
		10			10
6	150		800	5.3	
		5			20
7	155		900	5.8	
					5

- Fill in the column of marginal products. What pattern do you see? How might you explain it?
- A worker costs \$100 a day, and the firm has fixed costs of \$200. Use this information to fill in the column for total cost.
- Fill in the column for average total cost. (Recall that $ATC = TC/Q$.) What pattern do you see?
- Now fill in the column for marginal cost. (Recall that $MC = \Delta TC / \Delta Q$.) What pattern do you see?

5. You are the chief financial officer for a firm that sells gaming consoles. Your firm has the following average-total-cost schedule:

Quantity	Average Total Cost	Total cost	MC
600 consoles	\$300	180000	
601	301	180901	901

Your current level of production is 600 consoles, all of which have been sold. Someone calls, desperate to buy one of your consoles. The caller offers you \$550 for it. Should you accept the offer? Why or why not?

a. it increase until 2 workers after that it decrease it mean two workers are maximise

c. average total cost decrease when out put increase until output is 90 (maximum) it decrease after that every point

d. it decrease when output 20 and 50 and after that it increase.

5: should not accept offer because marginal cost of sells gaming consoles is \$ 901 but caller offers 550 \$, which means seller loss.