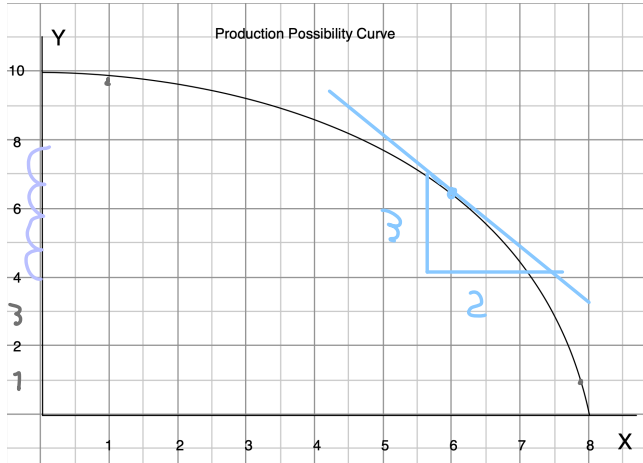


**HW Nonlinear PPC**



c.  
the opportunity cost of y per unit  
is  $\frac{\Delta X}{\Delta Y} = \frac{2}{3} = 0.67$   
 $= -0.67$

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

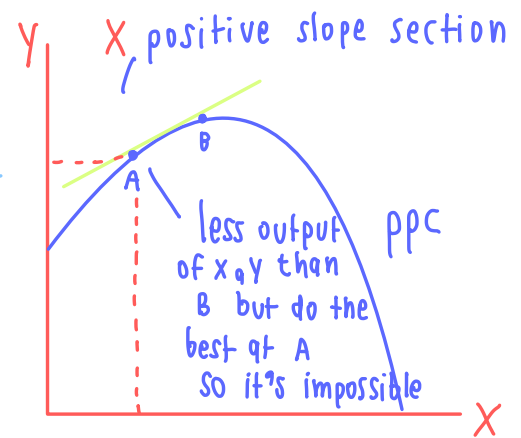
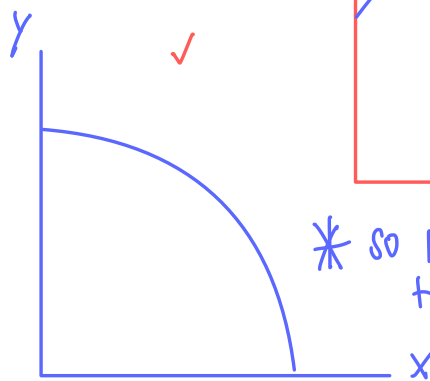
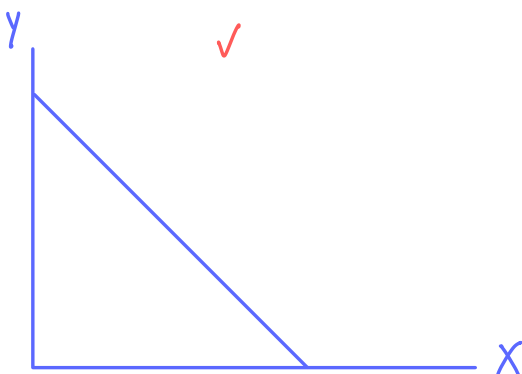
y	x	Opp. Cost of y
0	8	0.1
1	7.9	
2	7.6	0.3
3	7.4	
4	7.2	0.2
5	6.75	
6	6.25	0.45
7	5.5	
8	4.75	0.75
9	3.5	
10	0	2.5

When y increases 1 unit at a time  
- 0.67 at point C

d. at x=6  
approximately = slope · ΔY  
= -0.67 · -0.2  
= 0.134  
approx ΔX is 0.134

- b) Is the opportunity cost of y increasing? **yes**
- c) Compute the opportunity cost per unit of y when x = 6. **at point C when y increases 1 unit**
- d) At x = 6, approximate how much more x can be produced if we have y less by 0.2 units.

Can a PPC have positive slope?



\* so PPC can not be the positive slope \*

