ECO 101: Introduction to Microeconomics
Problem Set #4
Lectures 7 & 8
Due Date: 10 November, 5:00pm
Total Points: 30

NOTE: All problem sets must be hand-written (not typed) to receive full credit. Typed answers will receive a zero. Round all answers that are decimals to two decimal places.

Problem 1: Cost Curves [12 points]

Suppose that a firm has a short-run cost total cost curve given by:

$$TC = 400 + 0.1Q^2$$

Note that this generates a Marginal Cost Curve given by:

$$MC = 0.2Q$$

The current market price for this product is $30 per unit ($p = 30)