

Problem Set 8

Due Lecture 10 in class on paper

1. GLS Chapter 7, Question 12
2. GLS Chapter 7, Question 14
3. GLS Chapter 7, Question 19
4. Sunk Costs and Opportunity Costs

Choose a firm. It should be a real firm, and any type of firm is fine.

- (a) Name an input that is a sunk cost for this firm, explaining why.
- (b) Describe the opportunity costs for two additional inputs, explaining why.

Less than one typed page should be more than sufficient to answer this question.