

## Problem Set 8

On what and how to submit

- For this and all future problem sets, questions are from the “Problems” section of the questions at the end of the chapter.
- Due before Lecture 10 to your Box folder
- Name the file “ps08\_[lastname].[extension]”. For example, my file would be “ps08\_brooks.pdf”.
- You do not need to type your submission. Any **legible** submission is ok. For example, you can write the problem set with hand-drawn graphs, take a picture, and submit the picture.

1. GLS Chapter 7, Question 14 (second edition, question 12)
2. GLS Chapter 7, Question 16 (second edition, question 14)
3. GLS Chapter 7, Question 21 (second edition, 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.