

Problem Set 9

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 11.
- Name the file “ps09_[lastname].pdf”. For example, my file would be “ps09_brooks.pdf”.
- Turn in via this [google survey](#).
- Make sure your name is at the top of the submission.
- You do not need to type your submission. Any **legible** submission in pdf format is ok. For example, you can write the problem set with hand-drawn graphs, take a picture, make a pdf, and submit the pdf.

1. GLS Chapter 7, Question 14 (second edition, question 12)

2. GLS Chapter 7, Question 16 (second edition, question 14; Hint: remember the condition from Chapter 6 that must hold when the firm is minimizing costs.

3. GLS Chapter 7, Question 21 (second edition, question 19) Omit part (d) as we did not get to this in enough detail in class.

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 for this firm that is a sunk cost, explaining why.

(b) Describe the opportunity cost for one additional input, explaining why.

You should be able to answer this question with substantially less than one typed page.