

Mahogany Burris

ECON 5143

Fundamentals of Managerial Economics Homework

1. B the smaller the present value of the future amount.
2. C. total revenue minus total opportunity cost
3. D. forgone wages
4. D. Presence of economic value
5. B. \$156.71
6. C. Marginal revenue equal marginal cost
7. D. none of the statements associated with the question are correct
8. C. \$8,480 million
9. B. the additional benefits that arise by using an additional unit of the marginal control variable
10. B. \$8,400.34
11. B. $500/(1+0.07)^9$
12. D. 1,400
13. C. five units of the central control variable since net marginal benefits are zero
14. C. \$4,000
15. C. 100
16. B. 70
17. B. 110
18. D. 20
19. $\$200,000/(0.05)^5 = \$199,995$
20. Accounting profit $30 \times \$7,500 - \$40,000 = \$185,000$ & Economic profit $\$185,000 - \$120,000 = \$65,000$
21. $\$100/0.04 = \$2,500$
22. A) $N(Q) = 20 + 24Q - 4Q^2$
 - B) Net benefit when $Q=1$ is 40 & Net benefit when $Q=5$ is 40
 - C) $MNB(Q) = 24 - 8Q$
 - D) $Q=1$ is 16 and $Q=5$ is -16
 - E) 3
 - F) 0