**ECON 201 – Lab 05 Answers**

**4.**

a) Profits = Revenue – Expenses

= 675000 + 15000 – 350000 -148000 – 22000 – 33500

= 136500

b)

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c)

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d)

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**5.**

a) Wages & Salaries + Cost of Supplies + Depreciation of capital + Additional wages of dentist + Interest on bank loan (Explicit Costs)

b) Risk-free return + Risk premium (Implicit Costs)

c) Accounting Profit = Revenues – Explicit Costs

= 850000 – (700000 + 60000 + 200000 + 30000)

= - 140000

d) Economic Profits = Revenue – (Explicit Costs + Implicit Costs)

= 850000 – (990000 + (30000 + 50000))

= -220000

**6.**

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**7.**

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**8.**

a)

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**9.**

a)

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**11.**

b)

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**12.**

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**13.**

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**17.**

a) (TC/Qty) – (TVC/Qty) = AFC

= (1,000,000/50,000) – (200,000/50,000)

= 16

b) (TC/Qty) – (TFC/Qty) = AVC

= (400,000/50,000) – (50,000/50,000)

= 7

c) (Qty\*AVC) + (Qty\*AFC) = TC

= (650\*5) + (650\*25)

= 19 500

d) (Qty \* AVC) – (Qty \* AFC) = TVC

= (300\*9) – (300\*4) = 1500

e) (TC/Qty) – (TVC/Qty) = AFC

= (25 000 000/2 500 000) – (20 000 000/2 500 000)

= 2

**18.**

a) Find equations of each variable and calculate every single one lol

b) Capacity is Total Output where ATC is at minimum (min ATC is 1.49 so Capacity is 1340)

c) Firm encounters diminishing marginal productivity of labor when MP reaches its maximum (MP = delta TP/ delta Qty)

**19.**

a) Average Cost (AC) = AVC + AFC

AC = Total Cost/Qty

Qty = TC/AC => 42000/150 = 280

b) TVC = AVC \* Qty

= 50 \* 280

= 14000

c) TFC = AFC \* Qty

= 100 \* 280

= 28000

**20.**

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**21.**

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**22.**

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**25.**

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**26.**

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**28.**

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**29.**

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**30.**

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**Resources:**

* [**https://www.studocu.com/en-ca/document/dalhousie-university/principles-of-microeconomics/72-qs-merged-all-online-questions-myeconlab-from-the-chap-72-with-answers/8015753**](https://www.studocu.com/en-ca/document/dalhousie-university/principles-of-microeconomics/72-qs-merged-all-online-questions-myeconlab-from-the-chap-72-with-answers/8015753)
* [**https://www.studocu.com/en-ca/document/dalhousie-university/principles-of-microeconomics/73-qs-merged-myeconlab-questions-with-answers/8015764**](https://www.studocu.com/en-ca/document/dalhousie-university/principles-of-microeconomics/73-qs-merged-myeconlab-questions-with-answers/8015764)
* **https://www.studocu.com/en-ca/document/dalhousie-university/principles-of-microeconomics/74-qs-merged-myeconlab-questions-with-answers/8015769**