**Lab 06 Answers**

**1.**

**a)**

**A screenshot of a computer error

Description automatically generated**

**c)**

**A screenshot of a message

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**d)**

**A screenshot of a question

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**2.**

**a)**

**A screenshot of a computer error

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**A screenshot of a computer error message

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**b)**

**A screenshot of a computer error message

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**A screenshot of a message

Description automatically generated**

**c)**

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**A screenshot of a computer error message

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**d)**

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**4.**

**a)**

**A screenshot of a computer error message

Description automatically generated**

**b)**

**A screenshot of a computer screen

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**c)**

**A screenshot of a computer error message

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**d)**

**A screenshot of a computer screen

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**5.**

**c)**

**A screenshot of a computer

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**6.**

**b)**

**A screenshot of a computer

Description automatically generated**

**c)**

**A screenshot of a computer

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**8.**

**a)**

**A screenshot of a computer error

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**b)**

**A screenshot of a computer

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**9.**

**a)**

**A screenshot of a computer

Description automatically generated**

**A screenshot of a computer

Description automatically generated**

**b)**

**A screenshot of a computer

Description automatically generated**

**A screenshot of a computer

Description automatically generated**

**c)**

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**A screenshot of a computer

Description automatically generated**

**10.**

**a)**

**A screenshot of a computer error message

Description automatically generated**

**b)**

MPk/Pk = MPL/PL

18/6 = 9/3

**c)**

When MPk/Pk > MPL/PL, use more capital.

When MPk/Pk < MPL/PL, use more labour.

**11.**

**a)**

**A screenshot of a computer

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**b)**

**A screenshot of a computer error

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**d)**

**A screenshot of a computer error

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**e)**

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**12.**

**A screenshot of a question

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**13.**

**A screenshot of a question

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**14.**

**A screenshot of a computer test

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**15.**

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**16.**

**A screenshot of a computer

Description automatically generated**

**17.**

If PL increases and we had MPk/MPL = PK/PL, then this means that the new ratio is MPk/MPL > PK/PL

This also means that MPK/PK > MPL/PL so we want to employ more capital to fix this.

**19.**

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**20.**

**A screenshot of a question

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**21.**

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Description automatically generated**

**23.**

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**24.**

**A screenshot of a computer

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**25.**

**a)**

Price of Labour \* Nb of labour units + Price of Capital \* Nb of capital units

**b)**

Production C and D are lowest costs ($456)

**c)**

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honestly fuck this question

**26.**

**A screenshot of a computer screen

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**27.**

Point C is at a point where QL > QK so to fix this, we employ more capital and less labour

**28.**

TC/QK = Unit Price of Capital

TC/QL = Unit Price of Labour

**29.**

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**30.**

Pick point that is tangent to Isocost line and where total quantity (Q) matches with quantity of product produced.

In this case, Q = 4000 and point G is located at tangent of isocost line so point G is answer

**Resources:**

* **https://www.studocu.com/en-ca/document/mcgill-university/econometrics/economics-662-lab-8/20342328**