**1.(a) Suppose the company wants to keep PB fixed at 25, and change PA to maximize \_A. Using**

**Excel Solver, what PA should the company choose? What are the corresponding \_A, \_B and \_?**

The company should choose PA=20, PIA=1000, PIB=214.6625,PIA+B=1214.663

**1.(b) Suppose the company wants to keep PA fixed at 25, and change PB to maximize \_B. Using**

**Excel Solver, what PB should the company choose? What are the corresponding \_A, \_B and \_?**

PB=15, PIA=1239.355, PIB=296.2963,PIAB=1535.651

**1.(c) Suppose the company sets PA equal to profit maximizing price from 1(a) and PB equal to**

**the profit maximizing price from 1(b). Then, what are \_A, \_B and \_?**

PIA=1290.994, PIB=331.2693,PIAB=1622.264

**1.(d) Suppose the company wants to vary both PA and PB simultaneously to maximize \_ =**

**\_A + \_B. Using Excel Solver, what PA and PB should the company choose? What are the**

**corresponding \_A, \_B and \_?**

PA= 19.120, PB= 12.177, PIA=1429.786, PIB=275.762, PIAB=1705.548

2. So we are supposed to make 12 cupcakes, 0 pound cake, 0 raising bread, 12 cookies, and 0 muffin to maximize the profit. The total profit would be $288.