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**Lecture**Lecture questions due Oct 11,  
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## Pricing Out 2 Exercise

(1/1 point)

Consider the glass problem, with the following adjustment. Suppose instead that the coefficient for production capacity for champagne glasses decreased from 8 to 7, and simultaneously the coefficient for storage increased from 10 to  $p$ .

For what values of  $p$  is it worth producing champagne glasses?

☐  $p \leq 16$ ☐  $p \leq 16.5$ ☐  $p \leq 17$ ☒  $p \leq 17.5$  ✓

### EXPLANATION

#### Solution

The correct answer is:

**“ $p \leq 17.5$ . ”**

If we price out champagne glasses, the reduced cost is

**$6 - 7 \times (11/14) - p \times 1/35 = .5 - p/35$ .** This value is non-negative whenever  **$p \leq 17.5$ .**

*You have used 1 of 2 submissions*

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