

**Section 1.1, Question 47:** Let  $C(x) = 12x + 1100$  denote the total cost (in dollars) of manufacturing  $x$  units of a certain commodity per day.

**a.** What is the total cost if the production is set at 10 units per day?

**b.** What is the marginal cost?

**c.** Use part b. to determine the additional cost of raising the daily production level from 10 to 11 units.

**Answer:** **a.** The function  $C(x) = 12x + 1100$  gives us the total cost of production per day, where  $x$  is the number of units produced. To find the total cost of producing 10 units per day, we can set  $x = 10$  in the above equation to get

$$C(10) = 12(10) + 1100 = 120 + 1100 = 1220.$$

So, the total cost of producing 10 units per day is \$1220.

**b.** The marginal cost is defined to be the additional cost of producing an extra unit of output. [See example 1 on page 56 of your textbook for this definition.]

If current production is at level  $x$ , the cost of producing an additional unit is the difference between  $C(x + 1)$  and  $C(x)$ , or  $C(x + 1) - C(x)$ .

We have that  $C(x + 1) = 12(x + 1) + 1100 = 12x + 12 + 1100$ , and that  $C(x) = 12x + 1100$ . Therefore the difference is  $C(x + 1) - C(x) = (12x + 12 + 1100) - (12x + 1100) = 12$ .

So, the marginal cost is \$12.

**c.** The additional cost of raising the daily production level from 10 to 11 units is the same as the marginal cost, which we have found to be \$12.

Note that the marginal cost in this question does not depend on the level of production: the additional cost is \$12 whether production is at 10 units or 1000 units.

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