

2. An oil company estimates that the cost, C , in dollars, of cleaning up x percent of an oil spill can be modeled by the equation $C = \frac{kx}{100-x}$, where $0 \leq x < 100$, and k is a constant. The company has data that indicates that spending \$300,000 will clean up 70% of an oil spill.

Use this information to find the value of k .

Using the k value you found above, what does the model predict the percentage of an oil spill that can be cleaned up if the company's budget is \$900,000.

3. The manufacturer of the water toy “Silly Soaker” quotes a variable cost of \$5.25 per unit and fixed costs of \$7,000.

Create a function to represent the average cost per unit to manufacture the Silly Soaker.

Use the above model to determine the average cost per unit for a level of production of $x = 5,000$ units.

What is the horizontal asymptote of this function, and what does it represent?