2-23F a. $3

b. $5 ; $2

c. $2 ; $1

d. $1,050

e. $525

f. $1,575 ; social surplus

g. $1,250 ; $625

h. $1,875

Chapter 3: MARGINAL ANALYSIS FOR OPTIMAL DECISIONS

3-1	e	*3-21*	c	*3-41*	d	*3-61*	b	*3-81*	b
3-2	c	*3-22*	c	*3-42*	d	*3-62*	d	*3-82*	e
3-3	a	*3-23*	d	*3-43*	e	*3-63*	a	*3-83*	d
3-4	a	*3-24*	d	*3-44*	d	*3-64*	c	*3-84*	b
3-5	d	*3-25*	d	*3-45*	c	*3-65*	c	*3-85*	b
3-6	d	*3-26*	a	*3-46*	e	*3-66*	a	*3-86*	d
3-7	e	*3-27*	c	*3-47*	b	*3-67*	c	*3-87*	a
3-8	c	*3-28*	e	*3-48*	c	*3-68*	e	*3-88*	c
3-9	b	*3-29*	b	*3-49*	b	*3-69*	a	*3-89*	b
3-10	e	*3-30*	a	*3-50*	c	*3-70*	d	*3-90*	d
3-11	c	*3-31*	b	*3-51*	d	*3-71*	e	*3-91*	e
3-12	b	*3-32*	e	*3-52*	d	*3-72*	b	*3-92*	d
3-13	a	*3-33*	c	*3-53*	b	*3-73*	b	*3-93*	c
3-14	c	*3-34*	c	*3-54*	b	*3-74*	b	*3-94*	a
3-15	a	*3-35*	a	*3-55*	a	*3-75*	e	*3-95*	e
3-16	d	*3-36*	c	*3-56*	c	*3-76*	c	*3-96*	c
3-17	c	*3-37*	a	*3-57*	e	*3-77*	a	*3-97*	b
3-18	a	*3-38*	c	*3-58*	c	*3-78*	c		
3-19	d	*3-39*	d	*3-59*	a	*3-79*	b		
3-20	d	*3-40*	b	*3-60*	a	*3-80*	c		

3-1F marginal cost; marginal benefit

3-2F increase; $15

3-3F increase; $10

3-4F fixed; sunk; marginal; marginal

3-5F marginal benefits per dollar spent on *A* (MB_A/P_A); marginal benefits per dollar spent on *B* (MB_B/P_B)

3-6F
a. 1200; $52; $52
b. $68; $44; increasing; $24
c. $44; $56; decreasing; $12

3-7F
a. 200; $20; $20
b. $15; less
c. $15; more

3-8F
a. increases; 60
b. increases; 65
c. decreases; 20; decreases; 75; increases
d. 3; 270

3-9F
a. 2,300; 800; greater; increases; 1,500
b. 1,500; 2,000; less; increase; 500
c. 40; 1,700; 1,700
d. 84,000; 44,000; 40,000