HW # 7 (2/27, due on 3/6, Tuesday)

   Hint to 7.6: The firm has two variables but the same marginal cost in both markets.

2 (3/1) (60 pts). Solve Problems 8.4, 8.6 and 8.8 on P. 263-264.
   (Hint to #8.8: Long-run equilibrium price $p^* =$ minimum average cost)

( Number refers to Nicholson Text )