個經作業，Ch.5

1. Landsburg, Ch.5, Problem Set #4.
2. Landsburg, Ch.5, #7.
3. Landsburg, Ch.5, #8.

解答

1 The provision of unlimited gloves is better for the patient. As the variable cost decreases, the doctor may decide to treat more patients, and to achieve that, she has to reduce the medical fee. On the other hand, the X-ray machine rental is a fixed cost. To cover it up does not affect the price of medical care.

2 (a) This increases the marginal cost of producing hamburgers and so can affect Waldo’s behavior, including his prices.

(b) This is equivalent to (a). A tax of 50 cents per hamburger is, from Waldo’s point of view, no different than an increase in the price of meat. Therefore the price of a hamburger can be affected.

(c) This is a fixed cost, and therefore has no effect on Waldo’s behavior unless it drives him out of business.

(d) This appears at first to be equivalent to (c), but it is not. The difference is that in (c), only Waldo pays the fine, whereas here every restaurant in town pays it. If some of those other restaurants leave the marketplace, the demand for Waldo’s hamburgers will rise, leading to a change in his marginal revenue curve and a change in his price.

(e) This cost is completely sunk and has no effect on behavior. Note that this sunk cost is no equivalent to the fixed cost in (c). The fixed cost in (c) does not become sunk until Waldo decides to keep the restaurant open another year. Thus it can affect his decision about whether to remain in business, but not the price of hamburgers if he remains. The cost here is sunk from the beginning, and so has no effect on anything. In other words, in part (c) Waldo might go out of business, but in part (e) he will not.

(f) This causes a change in demand, consequently a change in marginal revenue, consequently a change in quantity, and consequently a change in price.

3 (a) False. The salary increase does not affect the marginal cost or providing seats at the ballpark, nor does it affect marginal revenue. Hence there is no effect on price.

(b) Now the demand for tickets is changed, leading to a change in marginal revenue and possibly a change in price. The change in price is due entirely to the change in demand, and is unaffected by the amount that the Cubs pay to acquire the player. If, contrary to the Cubs’ hopes, the player has no effect on the demand for tickets, there will be no change in ticket prices.