

1. see Problem Set #7 KEY #1, Spring 2003.

2. see Problem Set #7 KEY #2, Spring 2003.

3.

P	Q_E	TR_E	MR_E	Q_S	TR_S	MR_S
\$140	0	0		0	0	
130	8	1040	1040	0	0	
120	<u>9</u>	1080	<u>40</u>	1	120	120
110	10	1100	20	2	220	100
100	11	1100	0	3	300	80
90	12	1080	-20	4	360	60
80	13	1040	-40	<u>5</u>	400	<u>40</u>
70	14	980	-60	6	420	20

$MC = \$40$. $MR = MC$ at $Q = 9$, $P = \$120$ for executives

and $Q = 5$, $P = \$80$ for students. $\pi = \$720 + \$200 = \$920$

4. see Problem Set #7 KEY #4, Spring 2003.