

A Spreadsheet Approach



A spreadsheet approach

Q	$P=50 - (\frac{1}{2})Q$	$R = PQ$	MR	$C = 5Q$	MC	π
1						
2						
3						

A spreadsheet approach

Q	$P=50 - (\frac{1}{2})Q$	$R = PQ$	MR	$C = 5Q$	MC	π
1	\$49.50	\$49.50	\$49.50	\$5	\$5	\$44.50
2						
3						

A spreadsheet approach

Q	$P=50 - (\frac{1}{2})Q$	$R = PQ$	MR	$C = 5Q$	MC	π
1	\$49.50	\$49.50	\$49.50	\$5	\$5	\$44.50
2	\$49.00	\$98.0	\$48.50			
3						

A spreadsheet approach

Q	$P=50 - (\frac{1}{2})Q$	$R = PQ$	MR	$C = 5Q$	MC	π
1	\$49.50	\$49.50	\$49.50	\$5	\$5	\$44.50
2	\$49.00	\$98.0	\$48.50	\$10	\$5	\$88
3						

A spreadsheet approach

Q	$P=50 - (\frac{1}{2})Q$	$R = PQ$	MR	$C = 5Q$	MC	π
1	\$49.50	\$49.50	\$49.50	\$5	\$5	\$44.50
2	\$49.00	\$98.0	\$48.50	\$10	\$5	\$88
3	\$48.5	\$145.5	\$47.50	\$15	\$5	\$130.5

A spreadsheet approach

Q	$P = 50 - (\frac{1}{2})Q$	$R = PQ$	MR	$C = 5Q$	MC	π
1	\$49.50	\$49.50	\$49.50	\$5	\$5	\$44.50
2	\$49.00	\$98.0	\$48.50	\$10	\$5	\$88
3	\$48.5	\$145.5	\$47.50	\$15	\$5	\$130.5
10	45	\$450.0	\$40.50	\$50	5	\$400

A spreadsheet approach

Q	P	R	MR	C	MC	π
1	\$49.50	\$49.50	\$49.50	\$5	\$5	\$44.50
2	\$49.00	\$98.0	\$48.50	\$10	\$5	\$88
3	\$48.5	\$145.5	\$47.50	\$15	\$5	\$130.5
44	\$28.00	\$1232	\$6.5	\$220	\$5	\$1012
45	\$27.50	\$1237.5	\$5.5	\$225	\$5	\$1012.5
46	\$27.00	\$1242	\$4.5	\$230	\$5	\$1012

A spreadsheet approach

Q	P	R	MR	C	MC	π
1	\$49.50	\$49.50	\$49.50	\$5	\$5	\$44.50
2	\$49.00	\$98.0	\$48.50	\$10	\$5	\$88
3	\$48.5	\$145.5	\$47.50	\$15	\$5	\$130.5
44	\$28.00	\$1232	\$6.5	\$220	\$5	\$1012
45	\$27.50	\$1237.5	\$5.5	\$225	\$5	\$1012.5
46	\$27.00	\$1242	\$4.5	\$230	\$5	\$1012

Which Should I Use?

- Some students are tempted to learn only one of the two techniques.

Which Should I Use?

- Some students are tempted to learn only one of the two techniques.
- That would not be wise.

Problem I

- Suppose

$$Q = 50 - P$$

$$TC = 5Q$$

Problem I

- Suppose

$$Q = 50 - P$$

$$TC = 5Q$$

Q	?
P	?
Revenue	?
Cost	?
Profit	?

Problem I

- Suppose

$$Q = 50 - P$$

$$TC = 5Q$$

Q	<i>22.5</i>
P	<i>27.5</i>
Revenue	<i>618.75</i>
Cost	<i>112.5</i>
Profit	<i>506.25</i>

Problem II

Problem II

Quantity	Price	Cost
0		6
1	15	11
2	13	16
3	11	21
4	8	26
5	7	31
6	6	36
7	5	41

Problem II

Q	?
P	?
Revenue	?
Cost	?
Profit	?

Problem II

Q	<i>3</i>
P	<i>11</i>
Revenue	<i>33</i>
Cost	<i>21</i>
Profit	<i>12</i>

End

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