

HOMEWORK # 3

Fill out the following chart and answer the questions.

Prices:
Input: Lime \$10/ton
Output: Alfalfa \$30/ton

tons lime	Yield Alfalfa	APP	MPP	MIC	MVP
2.00	3.33				
2.10	3.3905				
2.20	3.4452				
2.30	3.4941				
2.40	3.5372				
2.50	3.5745				
2.60	3.606				
2.70	3.6317				
2.80	3.6516				
2.90	3.6657				
3.00	3.674				

1. Complete the above chart.
2. What quantity of lime will provide the optimum profit?
Why? What reasoning did you use to choose that input level?