

# Colleen egan essay sample

[Economics](#)



**ASSIGN  
BUSTER**

1. Identify whether each of the following is an explicit cost or an implicit cost:

Implicit costs are costs that have occurred but are not always shown as an immediate cost, where explicit costs are costs that have occurred and is shown as a separate cost.

a) Payments for rented manufacturing equipment – Explicit, as the company would spend money to rent the equipment

b) A firm's use of a warehouse that it owns and could rent to another firm – Implicit, because there is no cost at the moment

c) Wages paid to the firm's workers – Explicit, as the company would be paying wages

d) The wages the firm's owner could earn if he worked for another company – Implicit, because the company does not spend any money on potential outside wages for the firm's owner.

2. Consider the following information in the table for Pat's Pizza Restaurant and answer the questions below. Marginal Product of Capital

4,000

Marginal Product of Labor

100

Wage Rate

\$10

Rental Price of Pizza Ovens

\$500

a. Is the owner of Pat's Pizza Restaurant minimizing cost?  $MPL/MPC = 100 / 4000$

$$= 1 / 40$$

$$\text{Price Ratio} = \text{Wage rate} = 10 / 500 = 1/50$$

1 / 40 does not = 1 / 50 so Pat's Pizza Restaurant is not minimizing costs

b. Should he rent more ovens and hire fewer workers or rent fewer ovens and hire more workers? Explain. It appears that the Restaurant makes more based on ovens than on workers, so they should rent more ovens and hire fewer workers in order to minimize their costs.

3. Consider a firm's production decision in both the short-run and long-run. Explain what type of input costs might be fixed in the short-run and which might be variable in the short-run. Provide one example of each. The type of input costs that are fixed in the short-run are not affecting the production (such as rent for a warehouse). A variable input cost in the short-run would be wages paid to employees and would affect the production. Directions for Submitting your Assignment

Complete your assignment in this Microsoft Word® document and save it as Username-MT445Assignment-Unit#. doc (Example: TAllen-MT445Assignment-Unit4. doc). Submit your file by selecting the Unit 4: Assignment Dropbox by the end of Unit 4.

Project Grading Criteria

Grade

Content, Focus, Use of Text/Research

Analysis and Critical Thinking

Writing Style, Grammar, APA Format (when assigned)

%

<https://assignbuster.com/colleen-egan-essay-sample/>

50%

30%

20%

90-100%

Response successfully answers the assignment question(s); thoroughly uses the text and other literature. Response exhibits strong higher-order critical thinking and analysis (e. g., evaluation). Sentences are clear, concise, and direct; tone is appropriate. Grammatical skills are strong with almost no errors per page. Correct use of APA format when assigned. 80-89%

Response answers the assignment question(s) with only minor digressions; sufficiently uses the text and other literature. Response generally exhibits higher-order critical thinking and analysis (e. g. true analysis). Sentences are generally clear, concise, and direct; tone is appropriate. Grammatical skills are competent with very few errors per page. Correct use of APA format when assigned. 70-79%

Response answers the project assignment(s) with some digression; sufficiently uses the text and other literature. Response exhibits limited higher-order critical thinking and analysis (e. g. application of information). Sentences are occasionally wordy or ambiguous; tone is too informal. Grammatical skills are adequate with few errors per page. Adequate use of APA format when assigned. 60-69%

Response answers the assignment question(s) but digresses significantly; insufficiently uses the text and other literature. Response exhibits simplistic or reductive thinking and analysis but does demonstrate comprehension.

Sentences are generally wordy and/or ambiguous; tone is too informal. Grammatical skills are inadequate, clarity and meaning are impaired, numerous errors per page. Inadequate use of APA format when assigned. 0-59%

Response insufficiently answers the assignment question(s); insufficiently uses the text and other literature. Response exhibits simplistic or reductive thinking and analysis and demonstrates limited knowledge on the subject matter. Sentences unclear enough to impair meaning; tone is inappropriate and/or inconsistent. Grammatical skills are inadequate for college level. Unacceptable use of APA format when assigned.