

A: FALSE

$$P=10 \quad Q_d=45$$

$$Q_s=40$$

$$Q_d > Q_s$$

B. FALSE

$$Q=40 \quad P_d = \frac{75-40}{3} = \frac{35}{3}$$

$$P_s = \frac{40-20}{2} = 10$$

C. TRUE

$$\text{Before} \quad 75-3P = 20+2P \quad \text{if } P=11$$

$$Q=42$$

After change

$$Q_d = 44 - P_d$$

$$Q_s = 20 + 2P_s$$

$$44 - P = 20 + 2P$$

$$3P = 24 \quad P=8$$

$$Q=36$$

D. FALSE

$$\begin{aligned}\text{Revenue} &= pQ = p(50-2p) \\ &= 50p - 2p^2\end{aligned}$$

This is maximizer when

$$4p = 50 \quad p = \frac{25}{2}$$

$$Q = 50 - 2p = 50 - 25 = 25$$

E. TRUE

$$\text{Profit} = \text{Revenue} - \text{Cost}$$

$$\text{Revenue} = pQ = \frac{50-Q}{2} \cdot Q$$

$$\text{Profit} = \frac{50}{2}Q - \frac{1}{2}Q^2 - 2Q^2 - 5Q - 5$$

$$= 20Q - \frac{5}{2}Q^2 - 5$$

maximized when $20 = 5Q \quad Q = 4$