Extra Problems for October 23, 2008

1. Assume that a producer finds that if he charges $90.0 he gets 10 buyers, if he charges $65.6 he gets 12 buyers and if he charges $27.5 he gets 15 buyers.

   Assuming a quadratic demand curve find:

   (a) Find the demand curve $p_d(x)$. Make sure to show your work.
   (b) For what values of x does this curve make sense?
   (c) What price should he charge to maximize revenue.
   (d) What is the consumer surplus at this price.