

PROJECT 3

Lecture : **Livestock Production Economic**
Venue : Thursday, 3 April 2017
Type : Take Home
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Suppose that the output sells for \$6 and the input for \$4. The production function is given by
 $Y = 6 + 10X - X^2$

The Question 1:

1. Derive the corresponding ?

- a. Average Revenue (AR),
- b. Marginal Revenue (MR)
- c. Total Revenue (TR) ?
- d. Total Cost (TC) ?
- d. Profit ?

2a. Calculate concentrate feed units that used to obtain Maximum AR?

2b. How much IDR is the maximum AR ?

3a. Calculate concentrate feed units that used to obtain Maximum TR?

3b. How much IDR is the maximum TR ?

4a. Calculate concentrate feed units that used to obtain Maximum Profit?

4b. How much IDR is the maximum Profit ?

Question 2:

1. If other Variable Cost \$ 0,75 and Fixed Cost = \$0,58, How much is maximum income (Maximum Profit) ?

Question 3: Please fill Table 1. Below.

Table 1. Revenue and Profit of dairy Farming Based on concentrate feed quantity

X	Y	dx	dY	APP	MPP	Px	Py	TR	TC	MR	MC	Profit
(Input)	(Output)	= X2 - X1	= Y2 - Y1	= Y/X	= dy/dx	= Input Price	= Output Price	= Y x Py	= Px x X	= Py.dY	= Px.dX	= TR-TC
						4	6					
1						4	6					
2						4	6					
3						4	6					
4						4	6					
5						4	6					
6						4	6					
7						4	6					
8						4	6					
9						4	6					
10						4	6					

Question 4:

1. Draw curve of Total Revenue (TR) and explain the maximum Total Revenue!!
2. Picture Average Revenue (AR) , Marginal Revenue (MR), and explain it!
3. Draw curve of Profit and explain the maximum Profit !!

GOOD LUCK!!!