The following table shows cost data for a simple production function. Capital costs this firm $20 per unit, and labor costs $10 per worker.

**K L TP TFC TVC TC AFC AVC ATC MC**

10 0 0

10 1 5

10 2 15

10 3 30

10 4 50

10 5 75

10 6 85

10 7 90

10 8 92

A.) Calculate TFC; TVC; TC; AFC; AVC; ATC; and MC.

B.) Graph the results, putting TFC; TVC; and TC on one graph and AFC; AVC; and MC on a separate graph.

Interpret the data below and analyze their implications for managerial decisions in the healthcare and hotel industries?

Healthcare Price Elasticity Coef. Income Elasticity Coef Cross Elasticity Coef.

Primary care -0.1 to -0.7 0.0 <e, < +1.0

Total/Elective surgery -0.14 to -0.17

Physician Visits -0.06

Dental Care -0.5 to -0.7

Nursing Homes -0.73 to -2.40

Inpatient/Outpatient services NA +0.85 to +1.46

Individual Physicians -2.80 to -5.07

Hotel room attributes

Economy hotel standard Room

Price -2.46

Room Quality +1.13

Check-in time -0.06

Guaranteed Reservation +2.21

Free Parking +1.31

Luxury Hotel Standard Room

Price -4.15

Room Quality +1.45

Check-in time -0.17

Guaranteed Reservation +2.27

Free Parking +1.79