Suppose you want to find the optimal combination of two activities A and B, which generate the total benefits presented in the table below. The price of A is $40 and the price of B is $100. You face expenditure constraint of $780 on the activities of A and B. Find the optimal combination of activity A and B under this expenditure constraint?

Level of Total Benefit Level of Total Benefit

Activity A of Activity A Activity B of Activity B

 1 $800 1 $1,000

 2 1,440 2 1,900

 3 2,000 3 2,700

 4 2,360 4 3,400

 5 2,680 5 4,000

 6 2,960 6 4,500

 7 3,200 7 4,900

 8. 3,400 8 5,200

Lindsay SimsLindsay SimsLindsay SimsDocu