

Non-programmable calculators are permitted. This test is closed book.

Supply your answers on this sheet, but TA's have extra paper if you need it.

**PLEASE PRINT**

\_\_\_\_\_  
First name

\_\_\_\_\_  
Last name

\_\_\_\_\_  
Student number

**Please show your work where appropriate!**

1. Evaluate the following integrals.

$$\begin{aligned} \text{a. } \int \left( \frac{1}{x} + 10x^4 - \frac{2}{x^3} - 8 + 15\sqrt{x^3} - 4e^x \right) dx &= \int \frac{1}{x} + 10x^4 - 2x^{-3} - 8 + 15x^{3/2} - 4e^x dx = \\ \dots &= \ln|x| + 10 \frac{x^5}{5} - 2 \frac{x^{-2}}{-2} - 8 \frac{x^1}{1} + 15 \frac{x^{5/2}}{5/2} - 4e^x + C_1 = \\ \dots &= \ln|x| + 2x^5 + \frac{1}{x^2} - 8x + 6\sqrt{x^5} - 4e^x + C_1 \end{aligned}$$

$$\begin{aligned} \text{b. } \int \frac{(x+1)^3}{\sqrt{x^3}} dx &= \int \frac{x^3 + 3x^2 + 3x + 1}{x^{3/2}} dx = \int x^{3/2} + 3x^{1/2} + 3x^{-1/2} + x^{-3/2} dx = \\ \dots &= \frac{x^{5/2}}{5/2} + 3 \frac{x^{3/2}}{3/2} + 3 \frac{x^{1/2}}{1/2} + \frac{x^{-1/2}}{-1/2} + C_1 = \\ \dots &= \frac{2}{5} \sqrt{x^5} + 2\sqrt{x^3} + 6\sqrt{x} - \frac{2}{\sqrt{x}} + C_1 \end{aligned}$$

$$\begin{aligned} \text{c. } \int \frac{1}{x\sqrt{\ln x}} dx &\Rightarrow u = \ln x \\ &du = \frac{1}{x} dx \\ \Downarrow \\ \int \frac{1}{\sqrt{u}} du &= \int u^{-1/2} du = \frac{u^{1/2}}{1/2} + C_1 = 2\sqrt{u} + C_1 = \\ \dots &= 2\sqrt{\ln x} + C_1 \end{aligned}$$

$$\begin{aligned} \text{d. } \int 9(3x^3+1)^7 x^2 dx &\Rightarrow u = 3x^3+1 \\ &du = 9x^2 dx \\ \Downarrow \\ \int u^7 du &= \frac{u^8}{8} + C_1 = \frac{1}{8}(3x^3+1)^8 + C_1 \end{aligned}$$

$$\begin{aligned} \text{e. } \int e^{(\ln x + x^3)} \left( \frac{1}{x} + 3x^2 \right) dx &\text{ (simplify this one after you've determined the antiderivative..)} \\ \left( \begin{array}{l} u = \ln x + x^3 \\ du = \left( \frac{1}{x} + 3x^2 \right) dx \end{array} \right. & \\ \rightarrow \int e^u du &= e^u + C_1 = e^{(\ln x + x^3)} + C_1 = \\ \dots &= e^{\ln x} \cdot e^{x^3} + C_1 = x e^{x^3} + C_1 \end{aligned}$$



5. **Profit maximization:** you are given the following information about a firm: the wage rate ( $w$ ) is 240, the rental rate ( $r$ ) is 10, the price ( $p$ ) is 120 and production output is given by the model  $Q = 5K^{0.2}L^{0.6}$ . Use any method to determine:  $\rightarrow$  Direct substitution or Lagrange Multipliers.

a. The values of $K$ and $L$ that maximize profits.	b. The resulting production output $Q$ .	c. The profit $\Pi$ .
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Answer:  $L = 60.75$  ;  $K = 486$  ;  $Q = 202.5$  ;  $\Pi = 4860$

Indeed:

$$\Pi = TR - TC = pQ - wL - rK = 120 \left( 5 K^{0.2} L^{0.6} \right) - 240L - 10K$$

$$\frac{\partial \Pi}{\partial L} = 0 \Rightarrow 360 K^{0.2} L^{-0.4} - 240 = 0 \Rightarrow 6 K^{0.2} L^{-0.4} = 4 \quad \text{--- (1)}$$

$$\frac{\partial \Pi}{\partial K} = 0 \Rightarrow 120 K^{-0.8} L^{0.6} - 10 = 0 \Rightarrow 12 K^{-0.8} L^{0.6} = 1 \quad \text{--- (2)}$$

$$\text{(1)} \div \text{(2)} \Rightarrow \frac{K}{L} = 8 \Rightarrow K = 8L$$

Back-substitute in (1) or (2):

$$6(8L)^{0.2} L^{-0.4} = 4 \Rightarrow L^{-0.2} = \frac{2}{3(8^{0.2})}$$

$$\Rightarrow L = \left[ \frac{3(8^{0.2})}{2} \right]^5 = \frac{3^5}{2^5} \cdot 8 = \boxed{60.75}$$

$$\text{and } K = 8L = 8(60.75) = \boxed{486}$$

$$\text{and: } Q = 5(486)^{0.2}(60.75)^{0.6} = \boxed{202.5}$$

$$\text{and: } \Pi = pQ - wL - rK = 120(202.5) - 240(60.75) - 10(486)$$

$$\boxed{\Pi = 4860}$$