

Name:

Five Minute Exercise

Recycling Incentives

Given:

Toner cartridges used by firms in laser printers can be discarded or recycled.

The cost of discarding a cartridge is zero.

If a firm recycles, its average monthly cost of recycling is $AC = \$2 + \$100/Q$.

There are 7 firms, each generating the monthly number of cartridges shown below:

Firm	A	B	C	D	E	F	G
Cartridges	30	60	40	20	80	10	40

Determine:

How many cartridges will be recycled if firms are paid a rebate of \$4 for each one?

Answer: