Formulae Sheet

Learning curve

$Y = ax^b$

Where Y = cumulative average time per unit to produce x units

      a = the time taken for the first unit of output

      x = the cumulative number of units produced

      b = the index of learning (log LR/log2)

      LR = the learning rate as a decimal

Demand curve

$P = a - bQ$

$b = \dfrac{\text{change in price}}{\text{change in quantity}}$

a = price when Q = 0

$MR = a - 2bQ$

End of Question Paper