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 \((\log LR/\log 2)\)
\( LR \) = the learning rate as a decimal

Demand curve

\[ P = a - bQ \]

\( b = \frac{\text{change in price}}{\text{change in quantity}} \)
\( a = \text{price when } Q = 0 \)
\( MR = a - 2bQ \)

End of Question Paper