



## Question

In economics, the production  $P(L, K)$  of a sector is modelled by a function of labor  $L$  and capital  $K$ . Suppose that at a labor level of 10 thousand hours of work and a capital investment of \$5 million,  $P(10, 5)$  is \$20 million of goods and  $P_L(10, 5) = 0.7$ . Which of these is NOT true?

- A. If Labor is increased from 10 thousand to 11 thousand hours of work while capital investment remains the same, then we expect production to increase by about \$0.7 million in goods.
- B. If Labor is increased from 10 thousand to 11 thousand hours of work while capital investment remains the same, then we expect production to be about \$0.7 million in goods.
- C.  $P(11, 5) \approx 20.7$