

ECON 321, Assignment 16: BP Chapter 16: 16.1 Taxonomy of Entry-Related Strategies

1. Read Section 16.1, paying particular attention to the meaning of “tough” versus “soft.”
2. Using Mathematica, do exercise 16.1, “Quantity Commitment” at the end of the chapter (pg. 450 in the printed book).
3. Is firm 1’s choice of q_1 a tough investment or a soft investment?