

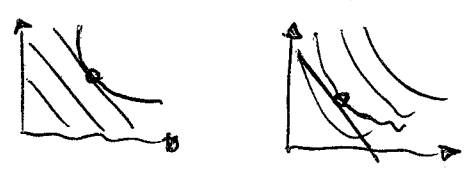
In summation...

Optimization with

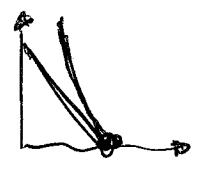
- Arbitrary objective, linear constraints
  - utility maximization
- Linear objective, arbitrary constraint
  - expenditure minimization
  - cost minimization
- Arbitrary objective, no constraint
  - profit maximization

Solve with

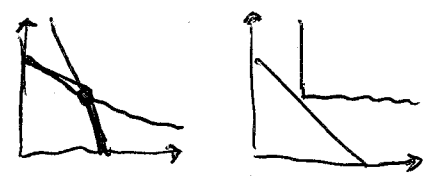
① Tangency conditions or  $MC = MS$   
(interior solutions)



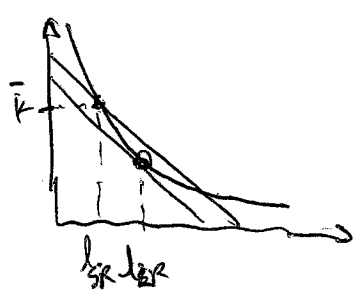
② Corner solutions

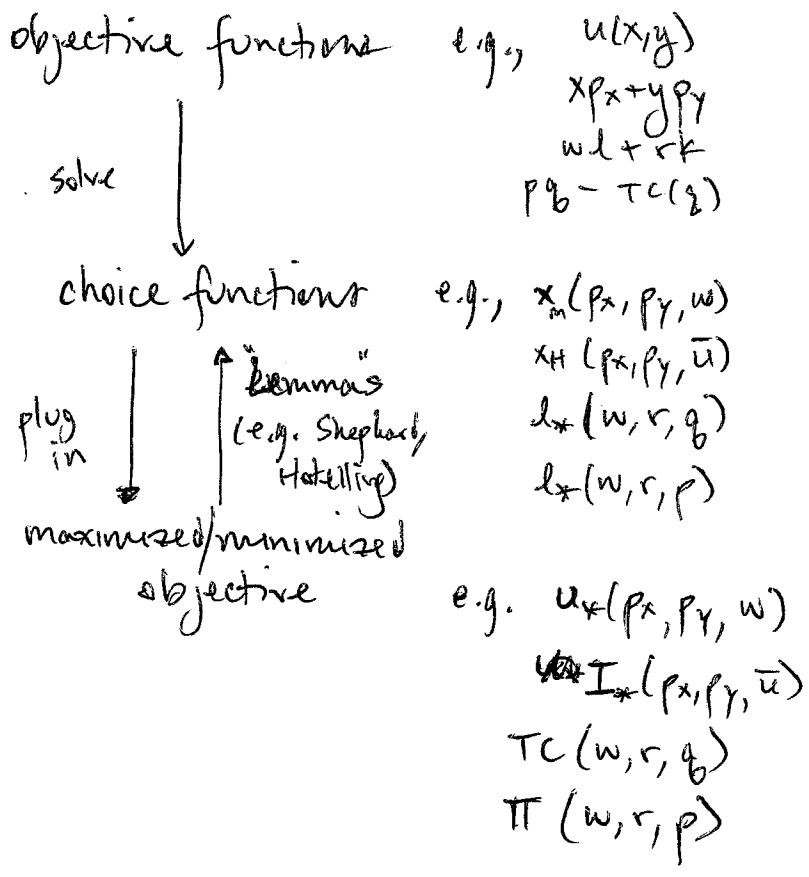


③ Kinks



④ Other constraints (e.g., SR problems)





These things have ① elasticities, ② homogeneity properties, ③ comparative statics properties / illustrations, ④ marginal and averages, ⑤ returns to scale / economies of scale properties