

## Class Example on Marginal Analysis

Santiago runs a comic book store in the town of East Arbor. He is debating whether he should extend his hours of operation.

Santiago figures that his sales revenue will depend on the number of hours the store is open as shown in the table. He would have to hire a worker for those hours at a wage rate of \$18 per hour.

Hours open	Total revenue (dollars)
1	\$70
2	120
3	160
4	184
5	200
6	210

# Class Example on Marginal Analysis

- How many hours should Santiago extend his store hours?
- What is his marginal benefit of staying open 5 hours instead of 4?
- Marginal cost if he decides to stay open for 5 rather than 4 hours?