

**Additional questions for Chapter 1:**

1. Find TRS and Elasticity of Substitution for CES Production function.
2. Find TRS and Elasticity of Substitution for Leontieff Production function.
3. Show that a CES production function becomes a Cobb-Douglas when  $\rho \rightarrow 0$
4. Let's examine a production function:  $y = k(1 + x_1^{-\alpha}x_2^{-\beta})^{-1}$ , where  $\alpha > 0$ ,  $\beta > 0$  and  $k$  is an upper bound on the level of output ( $0 \leq y \leq k$ ). Find the elasticity of scale.