Re: Scale Curve Equation

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- *From*: "Andy F." <never.mind@xxxxxxxxx>
- *Date*: 25 Aug 2005 01:39:34 −0700

Andy F. wrote:
> Bill wrote:
> > "Aaron M. Renn" <arenn@xxxxxxxxxxxxxxx> wrote in message
> > news:dehvv6qro1@xxxxxxxxxxxxxxxxx
> > > I've got a person here at work who wants to estimate a scale curve through
> > > two points. The axes are $/unit (y) and total number of units (x). What
> > > this graph is supposed to show is that for each doubling of the number of
> > > units you get a decreasing incremental reduction in cost. He claims there
> > > is some standard equation for this that estimates the curve based on
> > > two points, but I've been unable to locate any such equation through
> > > googling. Can anyone help?
> > >
> I think you'd need at least 3 points to estimate a curve.

Sorry, I got that wrong. Here's how you can do it:

Assume there's a fixed cost A and a cost per unit B.

The cost of x units is Ax+B

So the cost per unit y = A + B/x

Use the data from the 2 points to calculate A and B, and there's your equation.

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- ***References***:
  - ***Re: Scale Curve Equation***
    - *From:* Bill
  - ***Re: Scale Curve Equation***
    - *From:* Andy F.

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