

The problem involves finding the selling prices of candies A and B that maximize the company's profit. Let's solve it step by step.

Extracting the Problem Information:

1. Cost of Production:

- Candy A : \$2 per pound

- Candy B : \$3 per pound

2. **Demand Functions**:

$$q_a = 400(p_b - p_a)$$

$$q_b = 400(9 + p_a - 2p_b)$$

where: - p_a : price per pound of candy A - p_b : price per pound of candy B

3. Profit Function: Profit (P) is revenue minus cost:

$P = \text{Revenue from } A + \text{Revenue from } B - \text{Cost of } A - \text{Cost of } B$

$$P = (p_a q_a + p_b q_b) - (2q_a + 3q_b)$$

Steps to Solve:

1. Substitute the demand functions (q_a and q_b) into the profit function.

2. Simplify the profit function.

3. Differentiate P with respect to p_a and p_b .

4. Set the partial derivatives to zero to find the critical points.

5. Solve the system of equations to find the values of p_a and p_b that maximize P .

The selling prices that maximize the company's profit are:

- $p_a = \frac{11}{2} = 5.5$ dollars per pound for candy A , - $p_b = 6$ dollars per pound for candy B .