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## Preface

In this second edition, Chap. 15 (Risk and Uncertainty) has been extended and includes now more on the theory of modelling risk and uncertainty. Further, a new Chap. 21 (Modelling Supply Functions Using Linear Programming) has been added, which includes a new example of using Linear Programming for production economic modelling. Finally, a number of misprints in the first edition have been corrected.

Copenhagen  
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## Preface to the first edition

This book has been written as a textbook for the course Production Economics and is as such aimed at students of economics and other students who are interested in studying production economic theory at the undergraduate level. It is recommended that the student has taken prior introductory courses in economics and has, therefore, obtained a sound initiation to economic thinking including graphic illustration and the analysis of (micro) economic issues. However, reading the book does not require knowledge of any specific economic theory.

The book adds to the existing literature in the sense that compared to the general microeconomic textbooks, which normally include a few chapters on production, cost, product supply, input demand and production under uncertainty, this book focuses on these subjects and treats them both graphically and mathematically in more detail. At the same time, it focuses on the application of the theory to solving illustrative problems related to production optimisation, and in this context it includes subjects which are normally not included in microeconomic textbooks like for instance optimisation of production over time and the use of linear programming for production optimisation.

Readers are encouraged to contact the author with any suggestions for potential improvement or regarding possible errors for the next edition, preferably by way of e-mail: [sr@foi.ku.dk](mailto:sr@foi.ku.dk)

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