

[Wang, YunTong](#)

Proportionally adjusted marginal pricing method to share joint costs. (English)

[Zbl 1046.91043](#)

Rev. Econ. Des. 7, No. 2, 205-211 (2002).

Summary: We consider the cost sharing problem with divisible demands of heterogeneous goods. We propose a cost sharing method called Proportionally Adjusted Marginal Pricing (PAMP) method. PAMP is a nonadditive (in the cost function) extension of average cost pricing. We introduce an axiom called Local Independence (LI) and use LI together with continuity, proportionality, and scale invariance to characterize PAMP.

MSC:

[91B24](#) Microeconomic theory (price theory and economic markets)

[91B32](#) Resource and cost allocation (including fair division, apportionment, etc.)

Keywords:

[nonadditive cost sharing methods](#)

Full Text: [DOI](#)