

**Lemma 1**

Let  $f$  be an increasing concave function, such that  $f(0) = 0$ . Let's have  $a, c \in \mathbb{R}^+$  such that  $a < c$ . Then

$$\frac{f(a)}{f(c)} > \frac{a}{c}$$

**Proof:** Consider a linear function

$$g(x) = \frac{f(c)}{c}x \quad (1)$$

According to this function, we get  $g(a)$  which divides the interval  $\langle 0, f(c) \rangle$  in the same proportion as  $a$  divides the interval  $\langle 0, c \rangle$  (this is a direct consequence of  $g(x)$ 's linearity). By substitution of  $x = a$  in (1) we get

$$\frac{g(a)}{f(c)} = \frac{a}{c} \quad (2)$$

Because  $f(x)$  is concave,  $g(x) < f(x), \forall x \in (0, c)$  (by definition of concave functions), hence,

$$g(a) < f(a) \quad (3)$$

Finally, by (2) and (3), it follows that

$$\frac{f(a)}{f(c)} > \frac{a}{c}$$

■

