

Costs of production, tc

Average Costs

$$ac(x) = \frac{c_0}{x} + c_1 + c_2x$$

Marginal Cost

$$mc(x) = c_1 + 2c_2x$$

Average Variable Cost

$$avc(x) = c_1 + c_2x$$

$ac(x_1)$
 ac_{\min}

$mc(x_1)$

$avc(x_1)$

x_1

x_a

Quantity, x

f

a

g

h

