

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 of output, x

f

a

g

h

