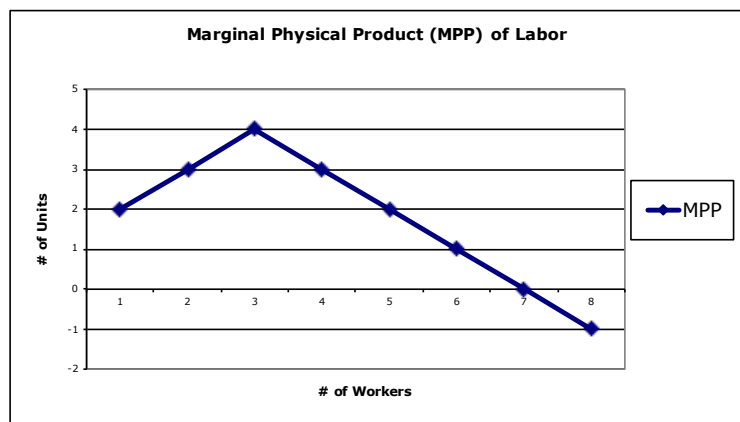
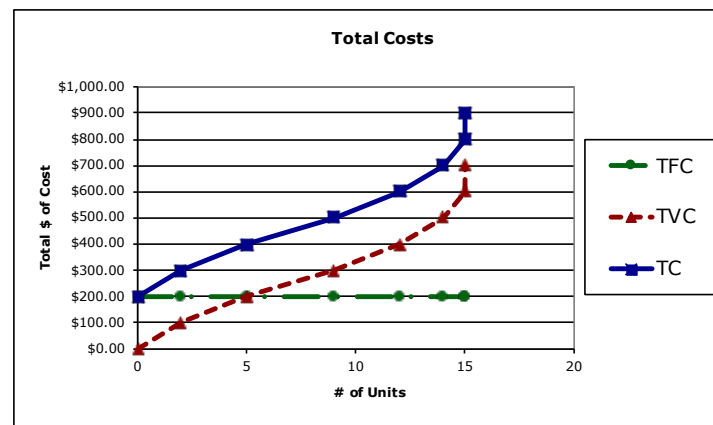
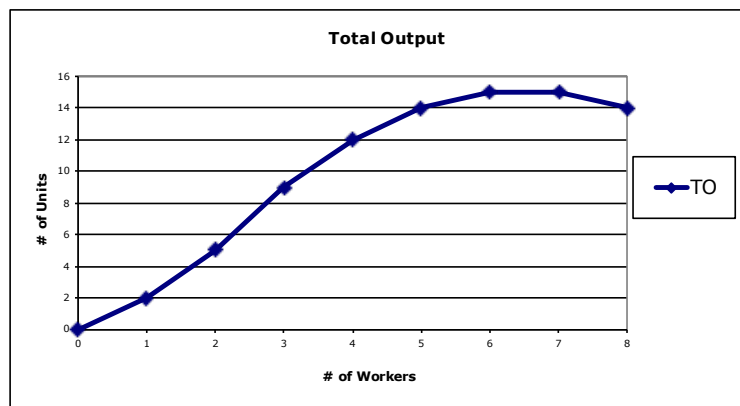


Economics 2000

Chapter 7

Capital (Fixed Input) # Units	Fixed Cost \$200 each FC	Labor (Variable Input) # / day L	Variable Cost \$100 each VC	Quantity of Total Output # / day TO	Average Product of Labor AP	Marginal Physical Product of Labor MPP	Total Cost in \$ TC	Marginal Cost in \$ MC	Average Fixed Cost in \$ AFC	Average Variable Cost in \$ AVC	Average Total Cost in \$ ATC
1	\$200.00	0	\$0.00	0	-	-	\$200.00	-	-	-	-
1	\$200.00	1	\$100.00	2	2.0	2	\$300.00	\$50.00	\$100.00	\$50.00	\$150.00
1	\$200.00	2	\$200.00	5	2.5	3	\$400.00	\$33.33	\$40.00	\$40.00	\$80.00
1	\$200.00	3	\$300.00	9	3.0	4	\$500.00	\$25.00	\$22.22	\$33.33	\$55.56
1	\$200.00	4	\$400.00	12	3.0	3	\$600.00	\$33.33	\$16.67	\$33.33	\$50.00
1	\$200.00	5	\$500.00	14	2.8	2	\$700.00	\$50.00	\$14.29	\$35.71	\$50.00
1	\$200.00	6	\$600.00	15	2.5	1	\$800.00	\$100.00	\$13.33	\$40.00	\$53.33
1	\$200.00	7	\$700.00	15	-	0	\$900.00	-	-	-	-
1	\$200.00	8	\$800.00	14	-	-1	\$1,000.00	-	-	-	-



$$\text{Marginal Physical Product (MPP)} = \frac{\text{Change in Total Output (TO)}}{\text{Change in Input Quantity (L)}}$$

$$\text{Total Cost (TC)} = \text{Variable Cost (VC)} + \text{Fixed Cost (FC)}$$

$$\text{Marginal Cost MC} = \frac{\text{Change in Total Costs (TC)}}{\text{Change in Total Output (TO)}}$$

$$\text{Average Variable Cost (AVC)} = \frac{\text{Variable Cost (VC)}}{\text{Total Output (TO)}}$$

$$\text{Average Fixed Cost (AFC)} = \frac{\text{Fixed Cost (FC)}}{\text{Total Output (TO)}}$$

$$\text{Average Total Cost (ATC)} = \frac{\text{Total Cost (TC)}}{\text{Total Output (TO)}}$$

