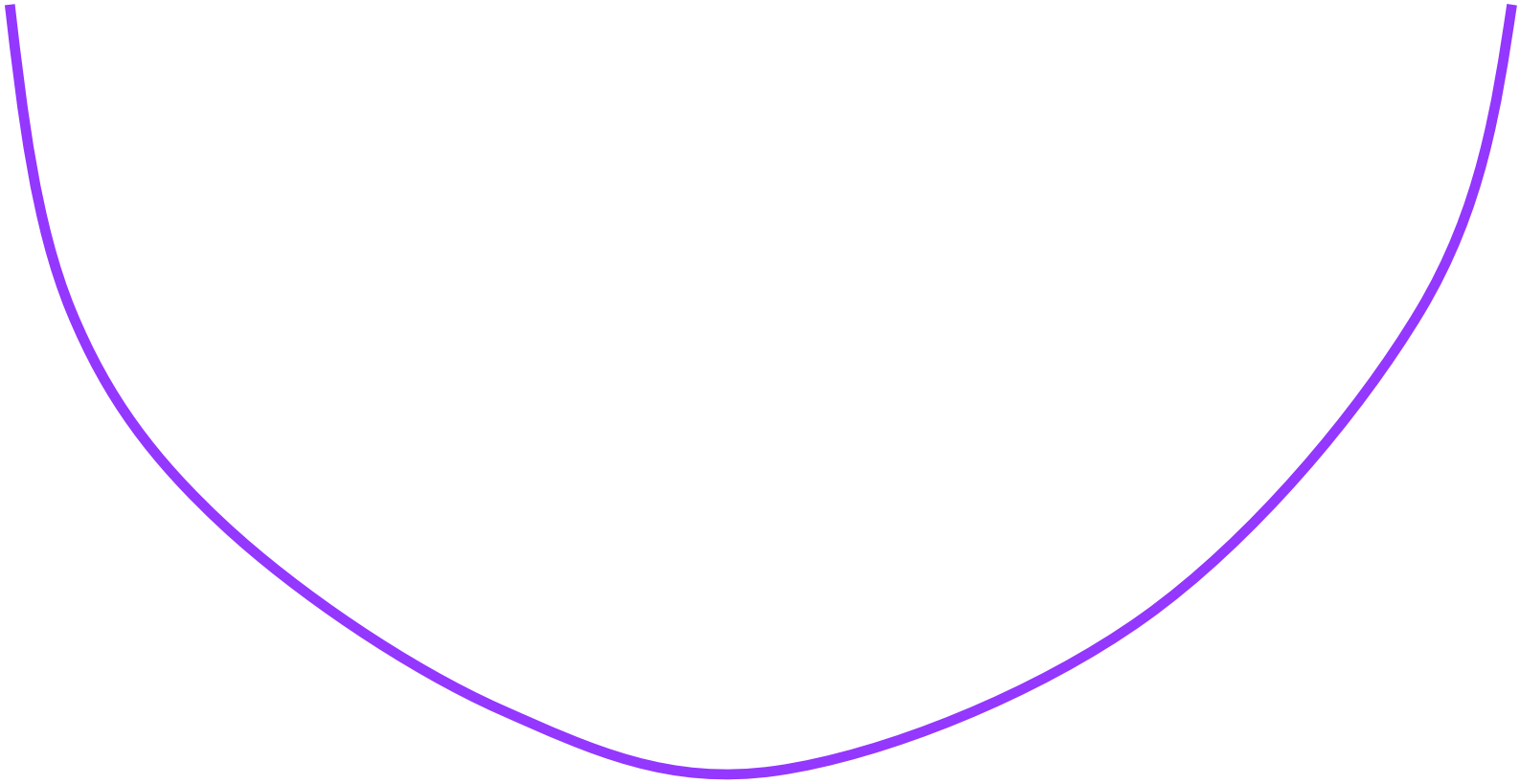
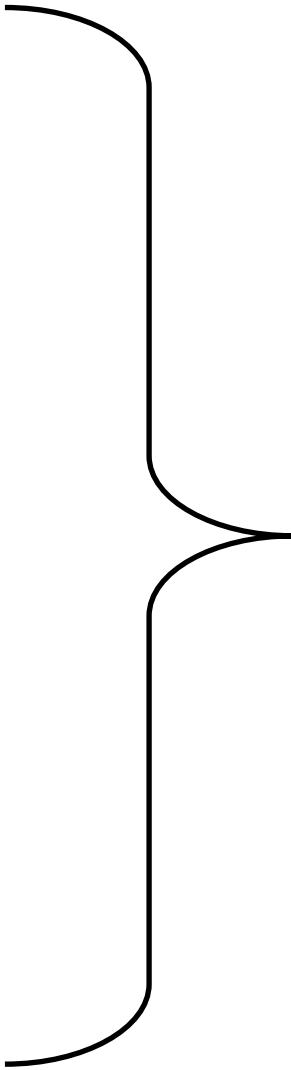
Q=10

AVC = $15

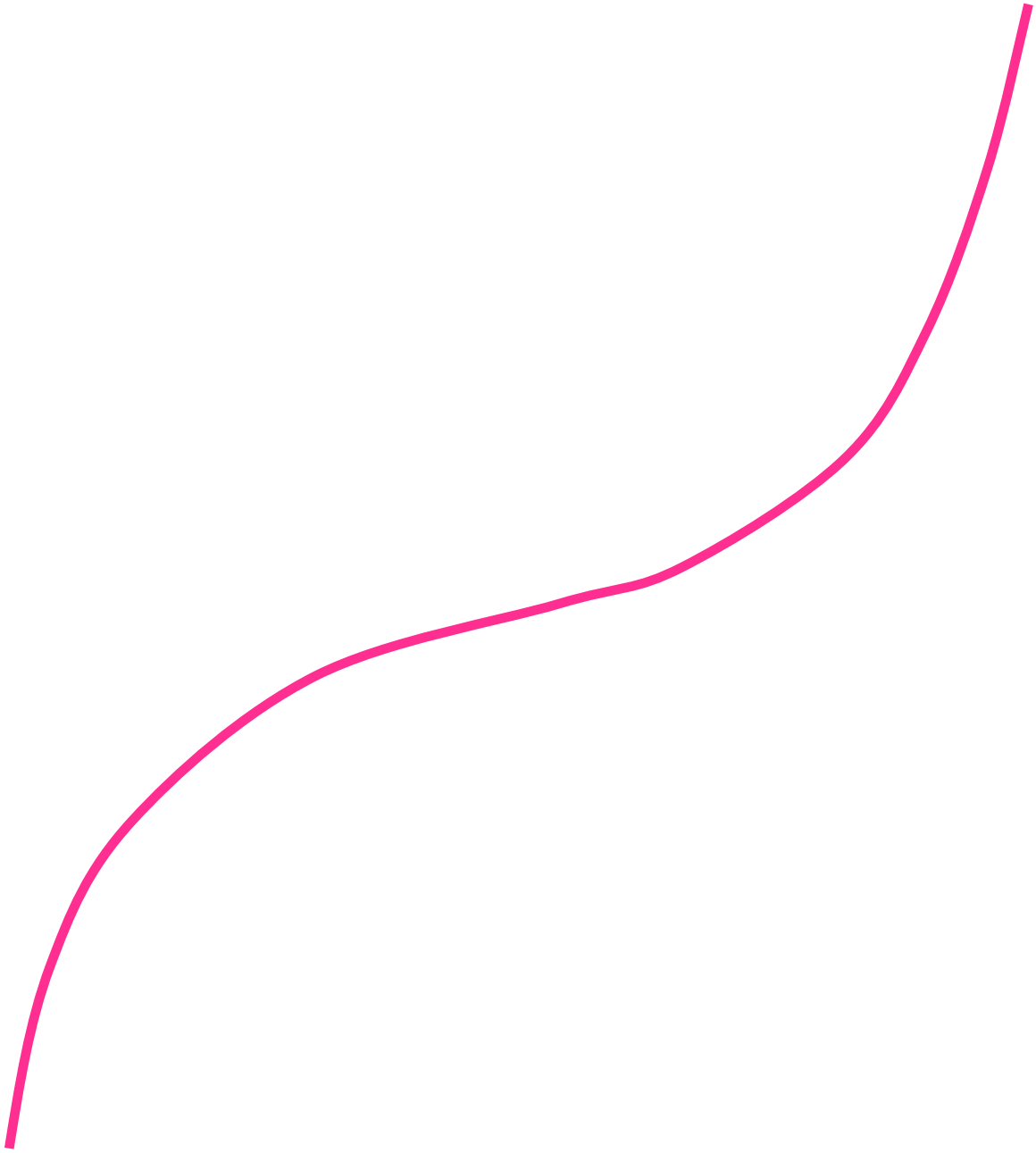


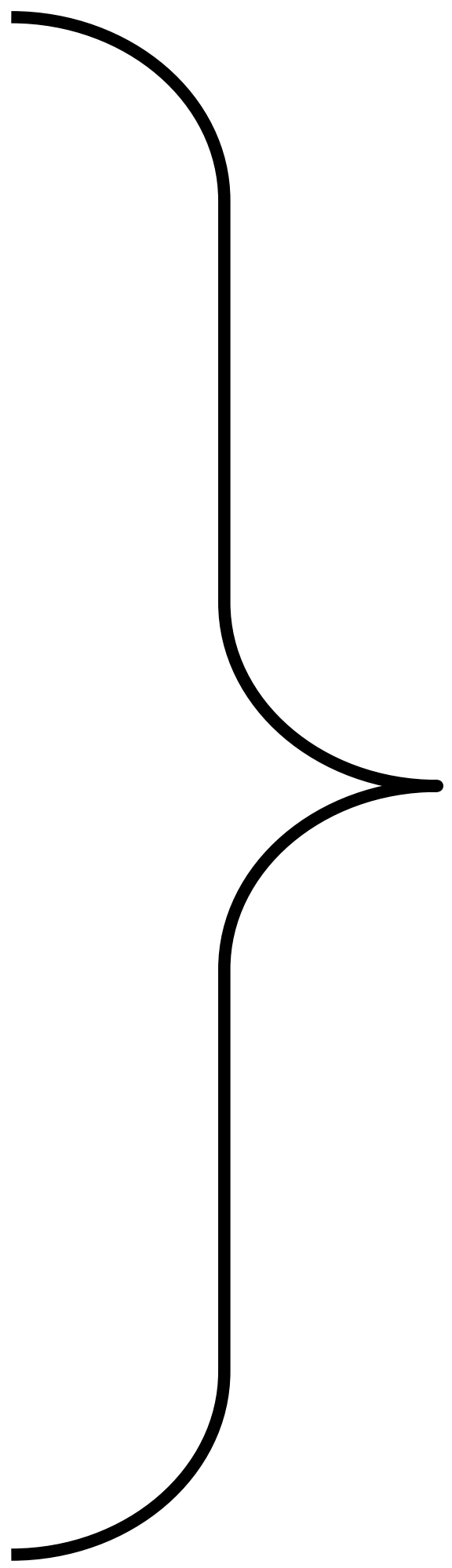
$15

AVC



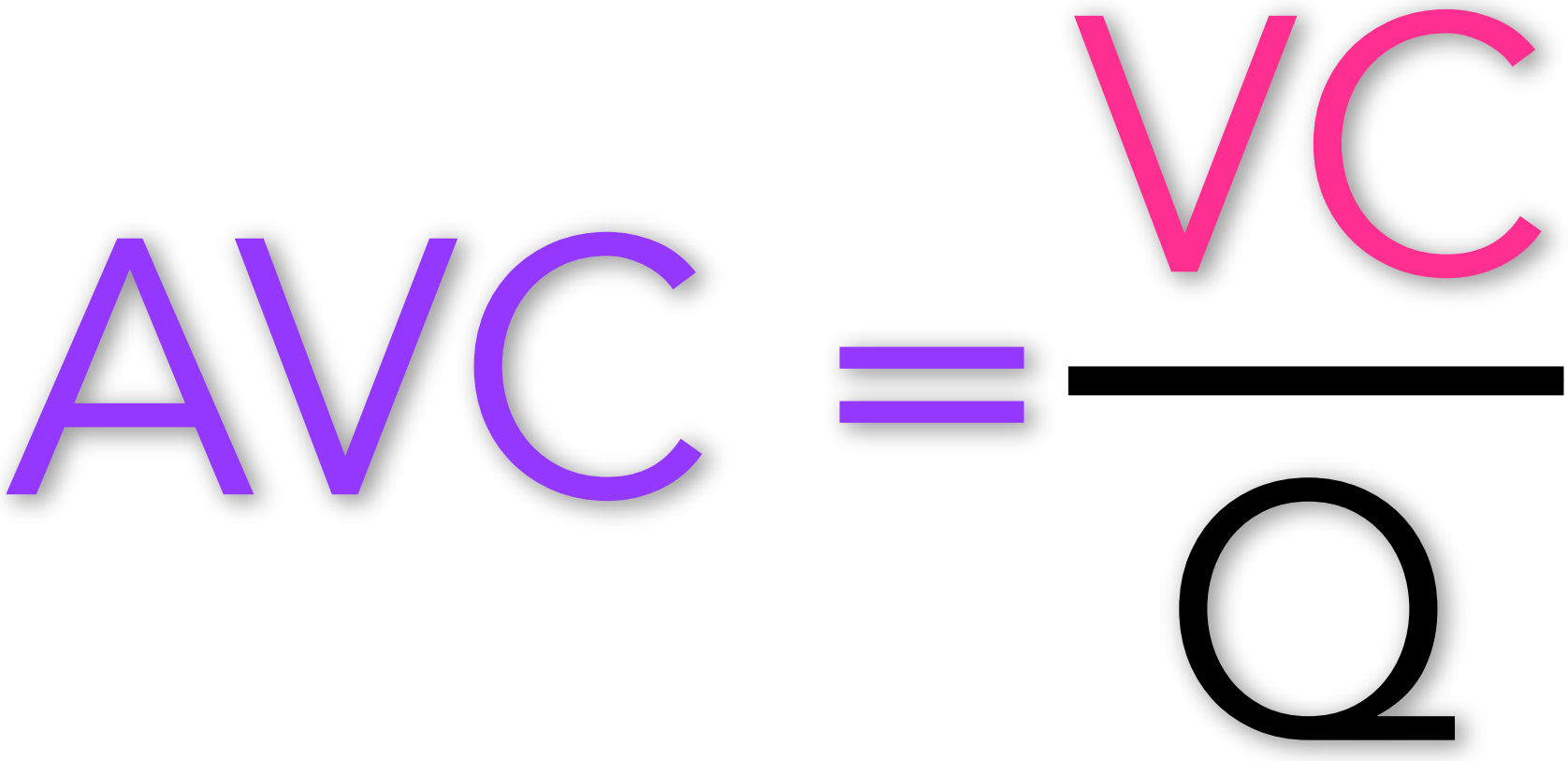
$$VC = 15 \times 10 = 150$$





VC = 150

150


AVC = VC / Q

$$VC = AVC \times Q$$

Variable cost of producing each unit = $15

Variable cost of producing 10 units =

Area

VC

Reading Cost Curves

$$VC = AVC \times Q$$

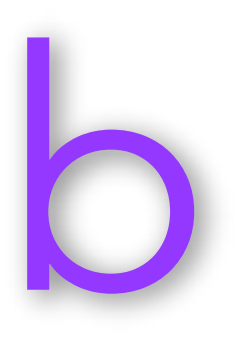
Variable cost of producing 10 units = $150

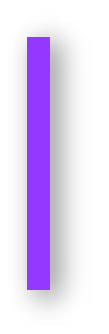
$$AVC = \frac{150}{10}$$

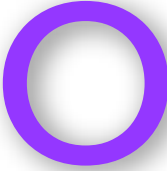
AVC = $15

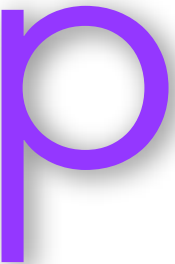
a

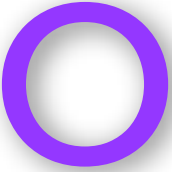
a

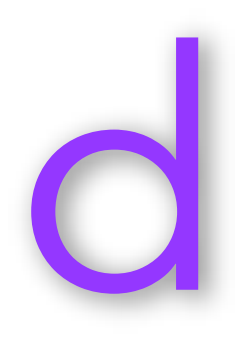


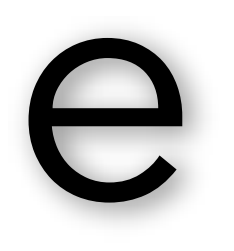


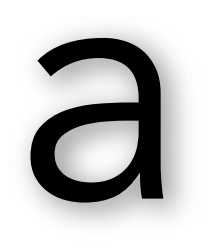








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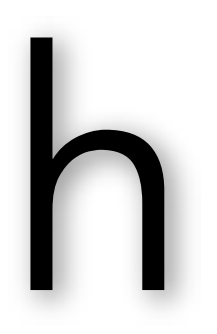
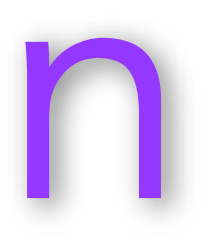
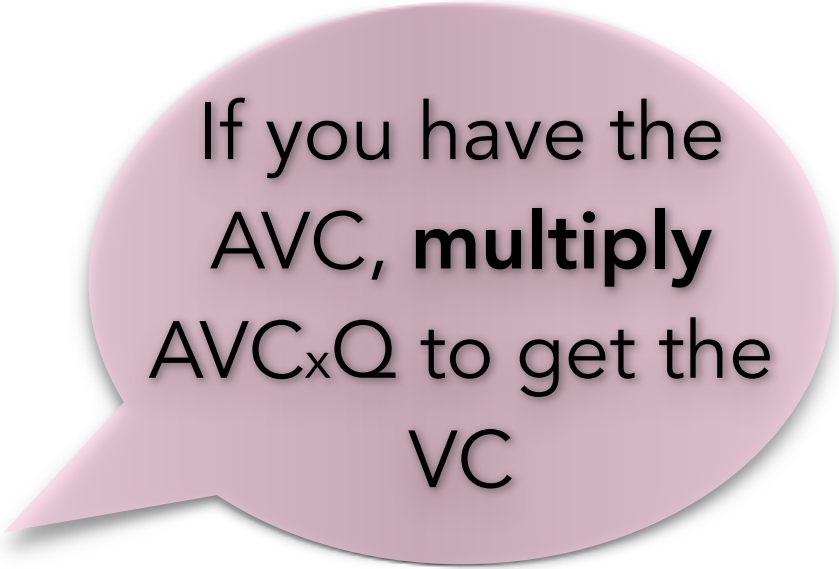
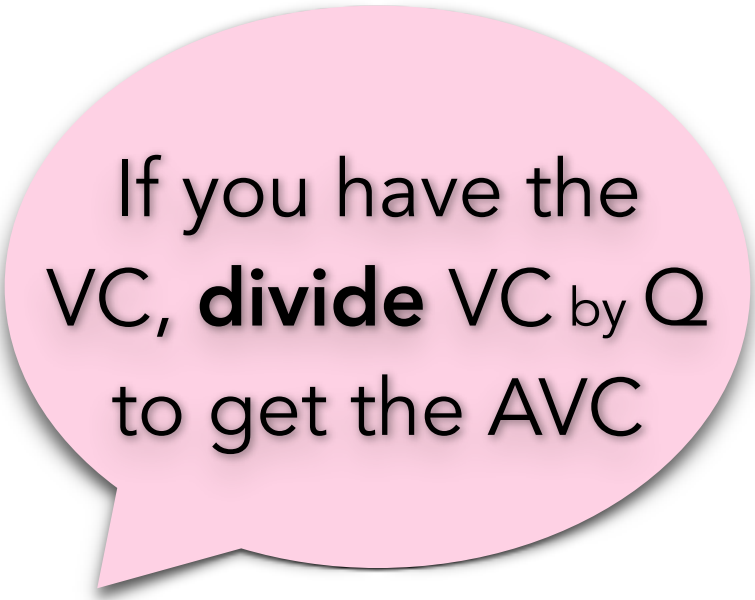


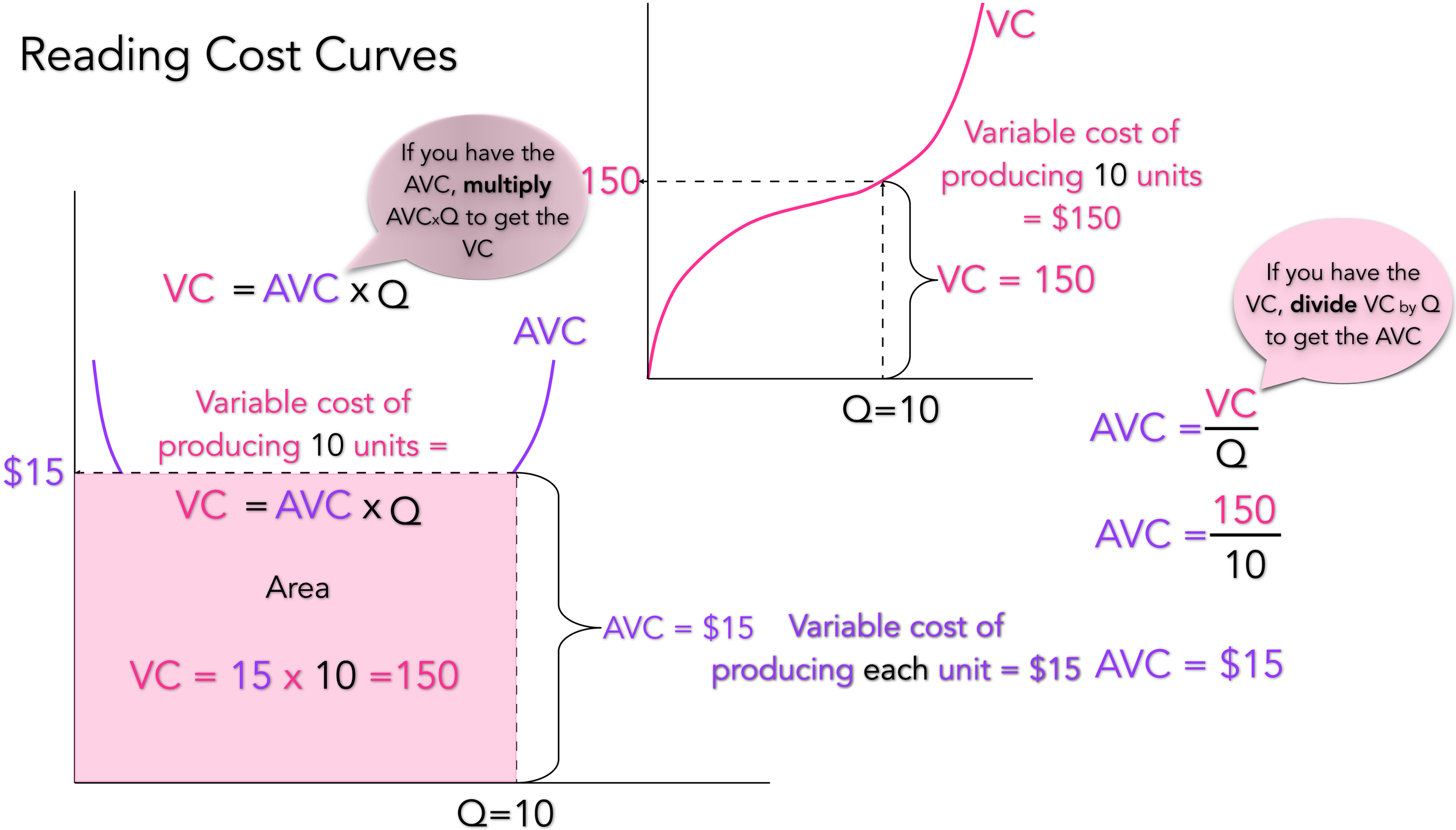


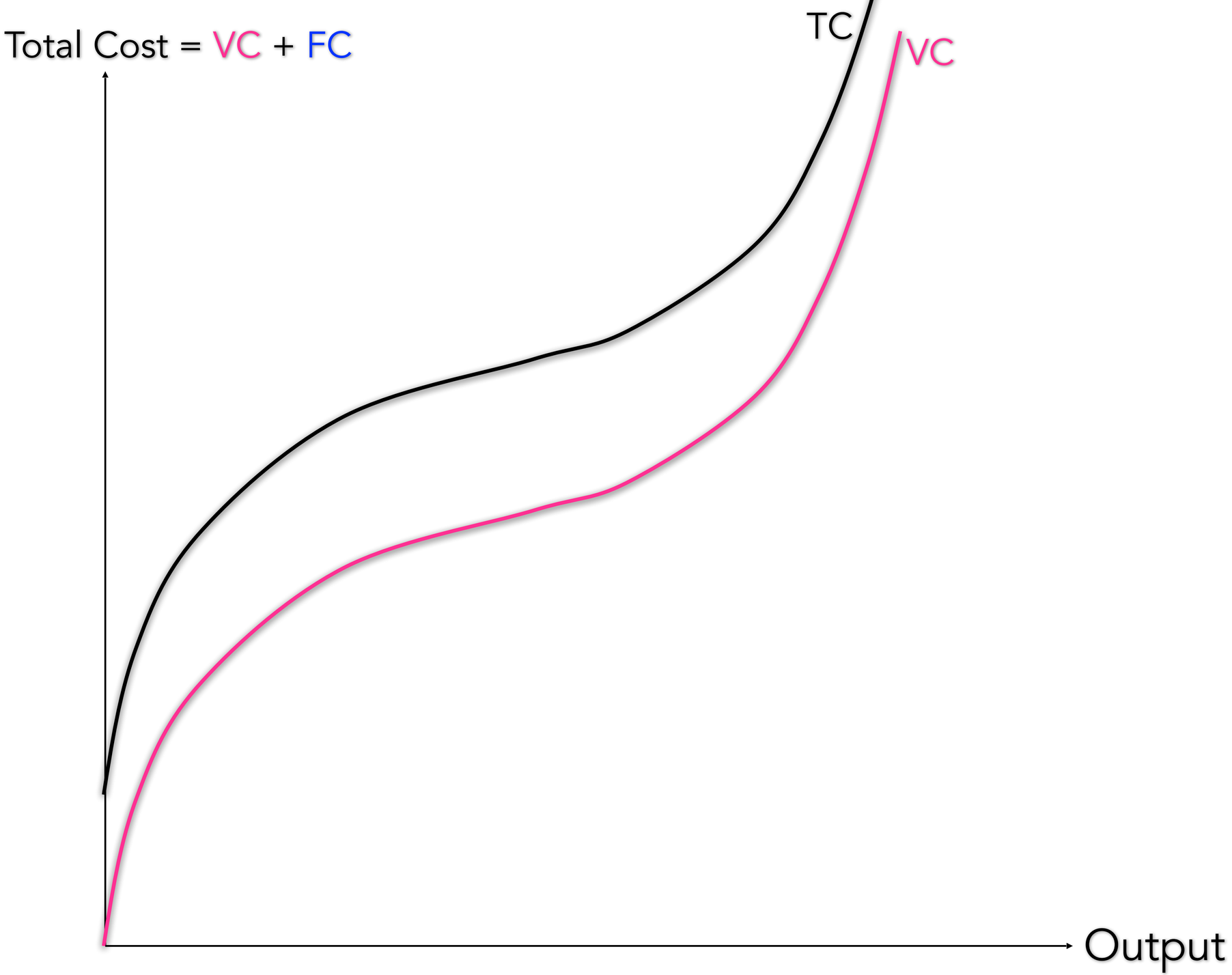
1


If you have the AVC, **multiply** AVC$_x$Q to get the VC


If you have the
VC, **divide** VC by Q
to get the AVC

Reading Cost Curves




Total Cost = VC + FC
TC
VC
Output