


100

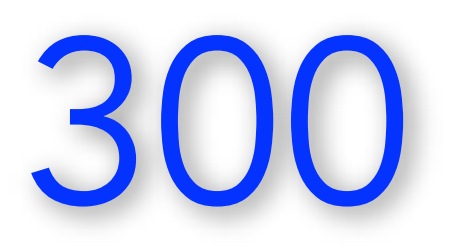
150


200


250


50


VC


300


350


400

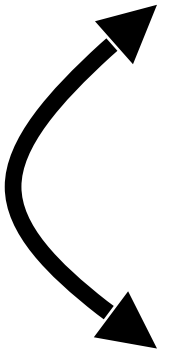

450


500


550

$50

$50



$$50 / 5 = 10$$

$$50 / 10 = 5$$

$$50 / 15 = 3.3$$

$$50 / 20 = 2.5$$

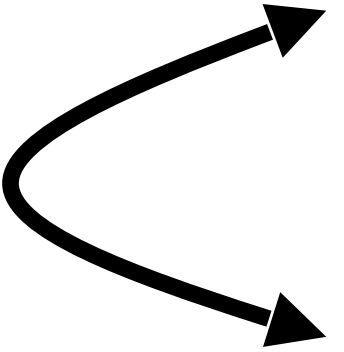
$50 / 17 = 2.9$

50 / 15 = 3.3

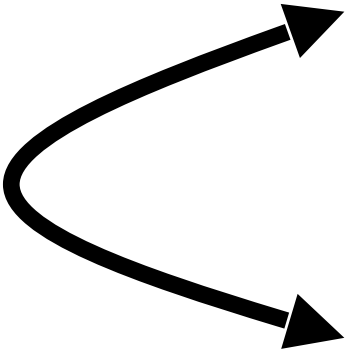
21

$$50 / 13 = 3.8$$

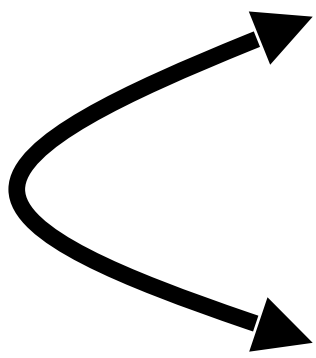
5 units



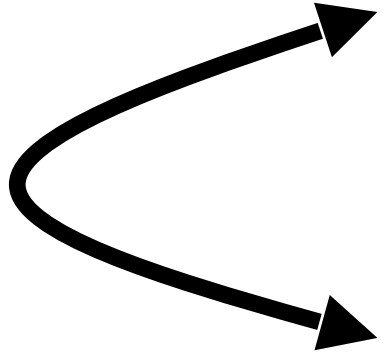
10 units

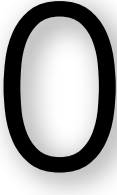


15 units



20 units





15

30


50

67

82

95

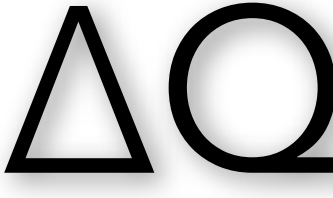
107

125

131

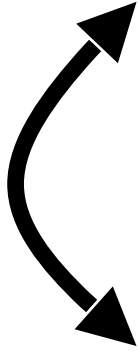
Total Product

117

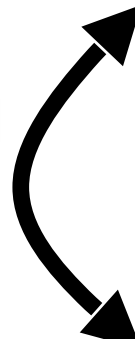


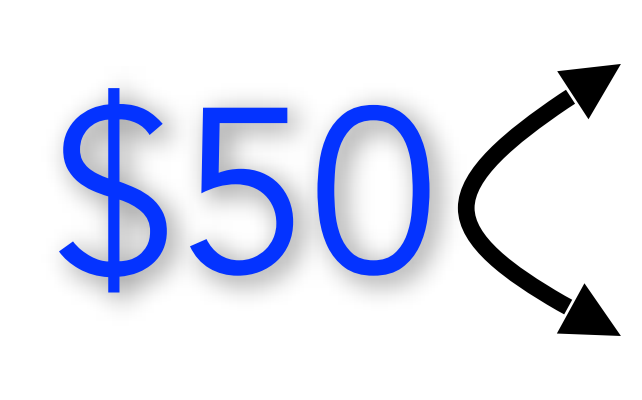

ΔVC

$50

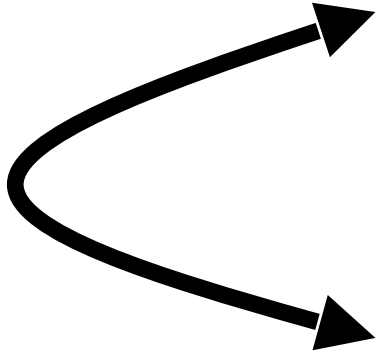


$50

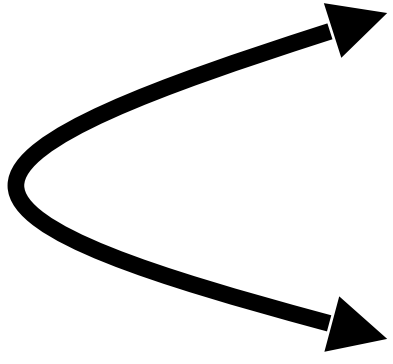



$50

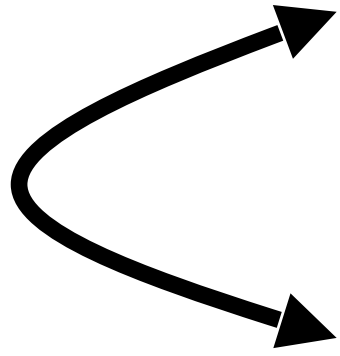
17 units



15 units



13 units



$50


$50

MP

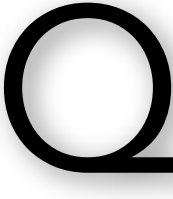
increase

MC drops

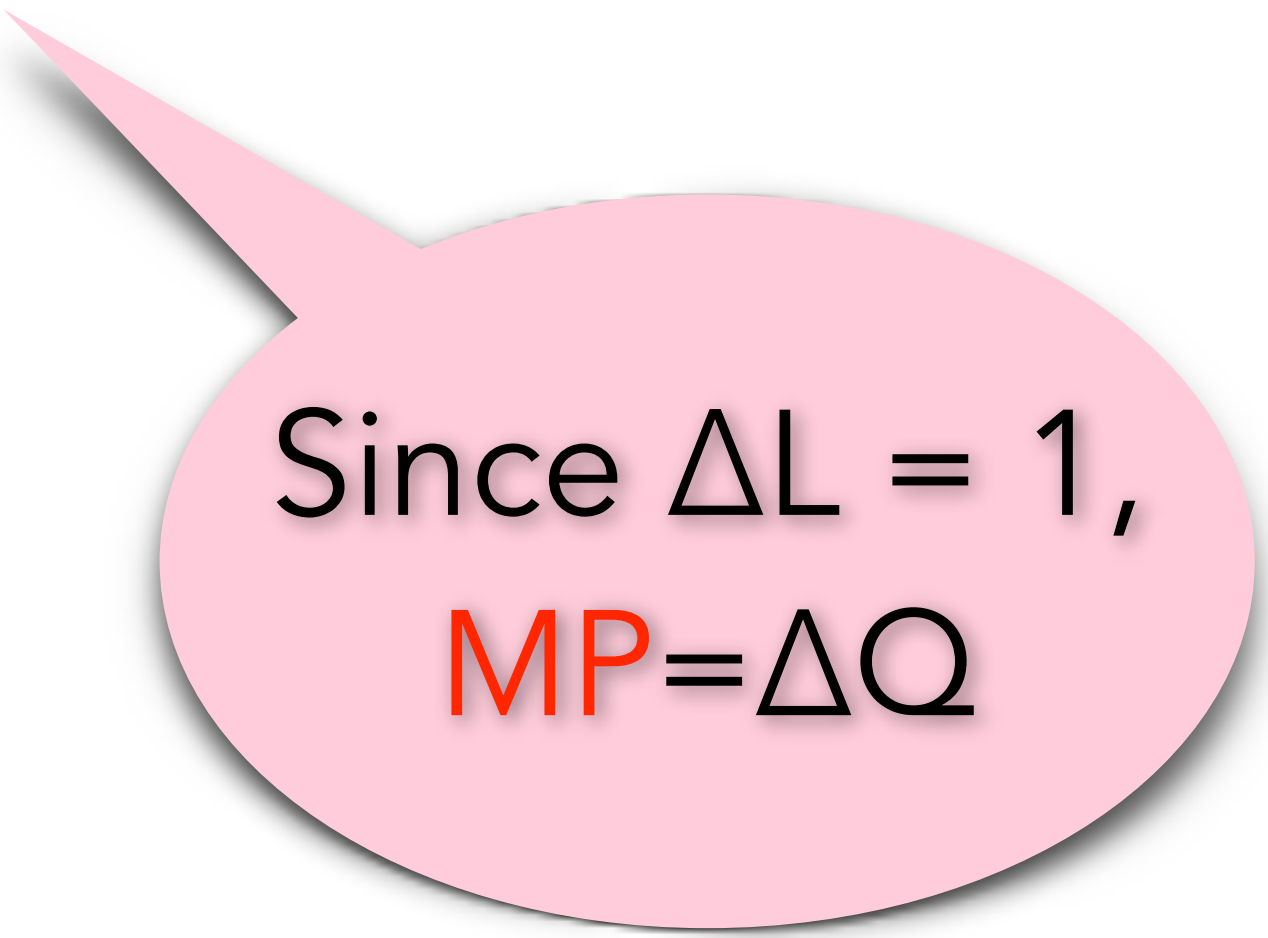
MP
decrease


MC rise


MP



$$MP = \frac{\Delta Q}{\Delta L}$$


Since ΔL = 1,
MP=ΔQ

$$\text{Marginal Cost} = \frac{\text{Change in VC}}{\text{Change in TP}}$$

Marginal Cost

$\Delta VC/\Delta Q$

$MP = \frac{\Delta Q}{\Delta L}$

Marginal Cost

ΔQ	Q	ΔVC	VC	ΔVC/ΔQ	
			0		
5 units	MP increase		50	50 / 5 = 10	MC drops
10 units			100	50 / 10 = 5	
15 units			150	50 / 15 = 3.3	
20 units			200	50 / 20 = 2.5	
17 units	MP decrease		250	50 / 17 = 2.9	MC rise
15 units			300	50 / 15 = 3.3	
13 units			350	50 / 13 = 3.8	
	107		400		
	117		450		
	125		500		
	131		550