















5



10

15

20

25

0.40



0.50





0.60



0.70





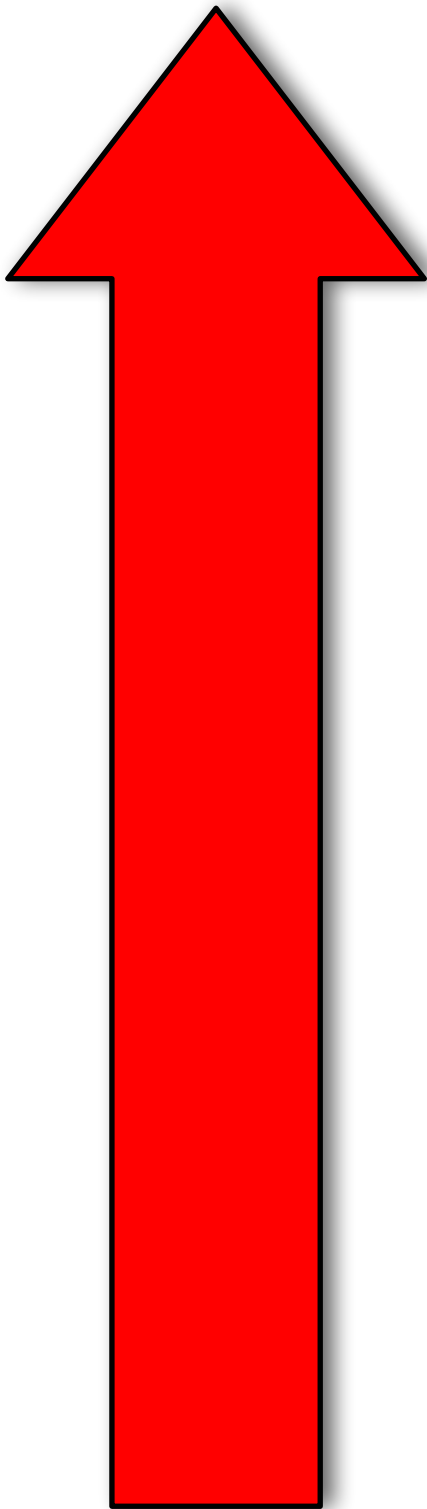
Supply

Price per unit

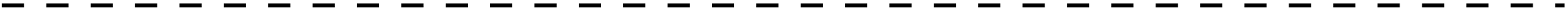
Quantity Supplied











0.75

0.80

0.90





30

35

The distance  
to the  
Supply curve

Gives us the **Cost**  
of producing  
each unit



To calculate the cost of producing 5 units, we add the distance to the supply line

To calculate the cost of producing 10 units, we add the distance to the supply line





To calculate the cost of producing 15 units, we add the distance to the supply line



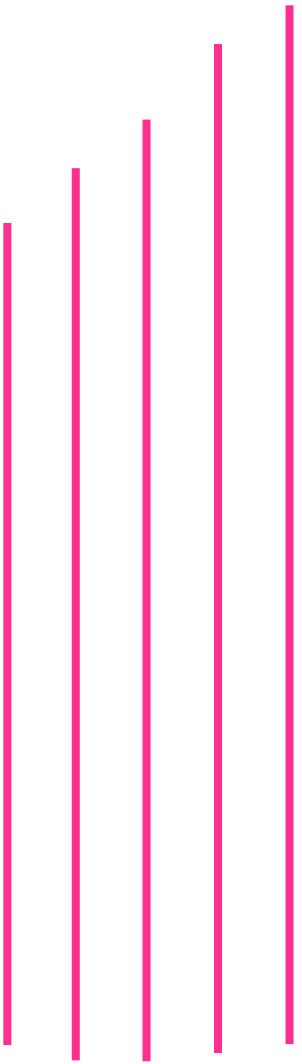
To calculate the cost of producing 20 units, we add the distance to the supply line

5

10

15

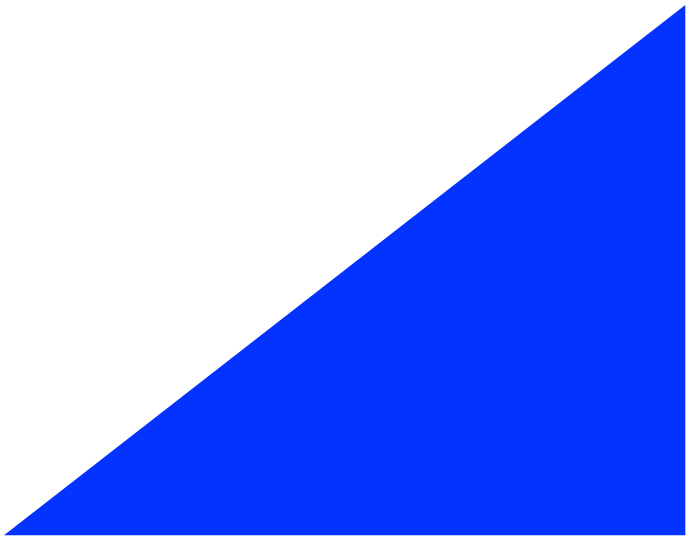
20



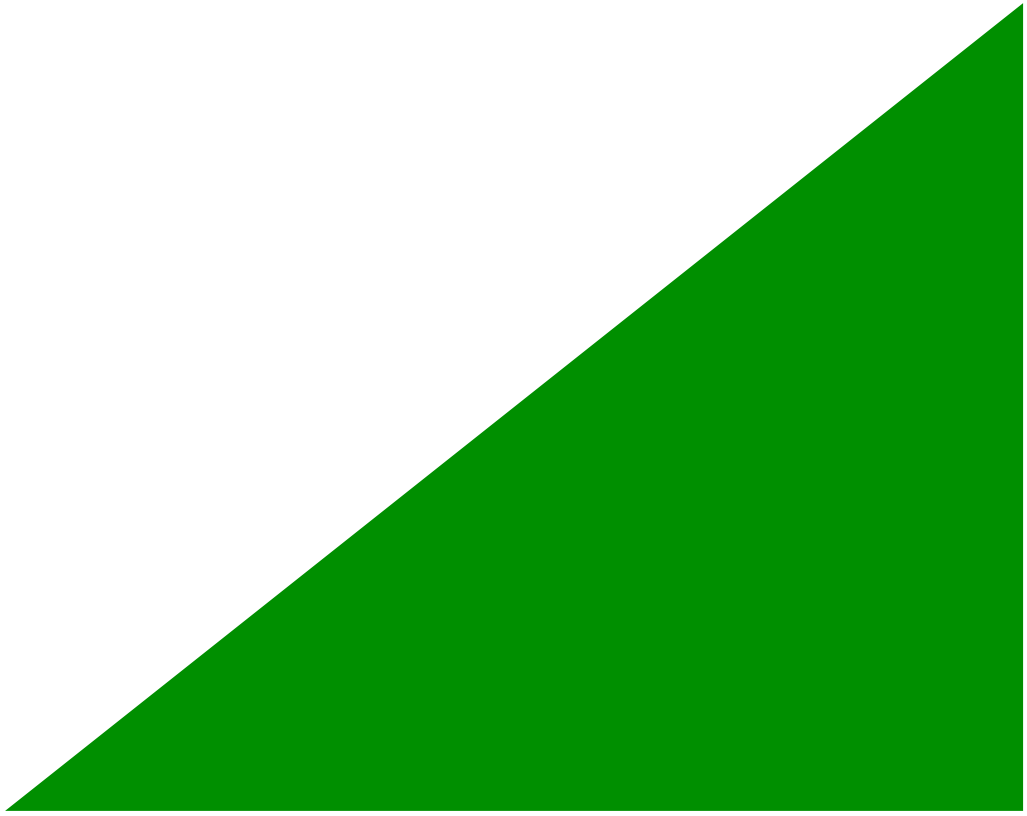




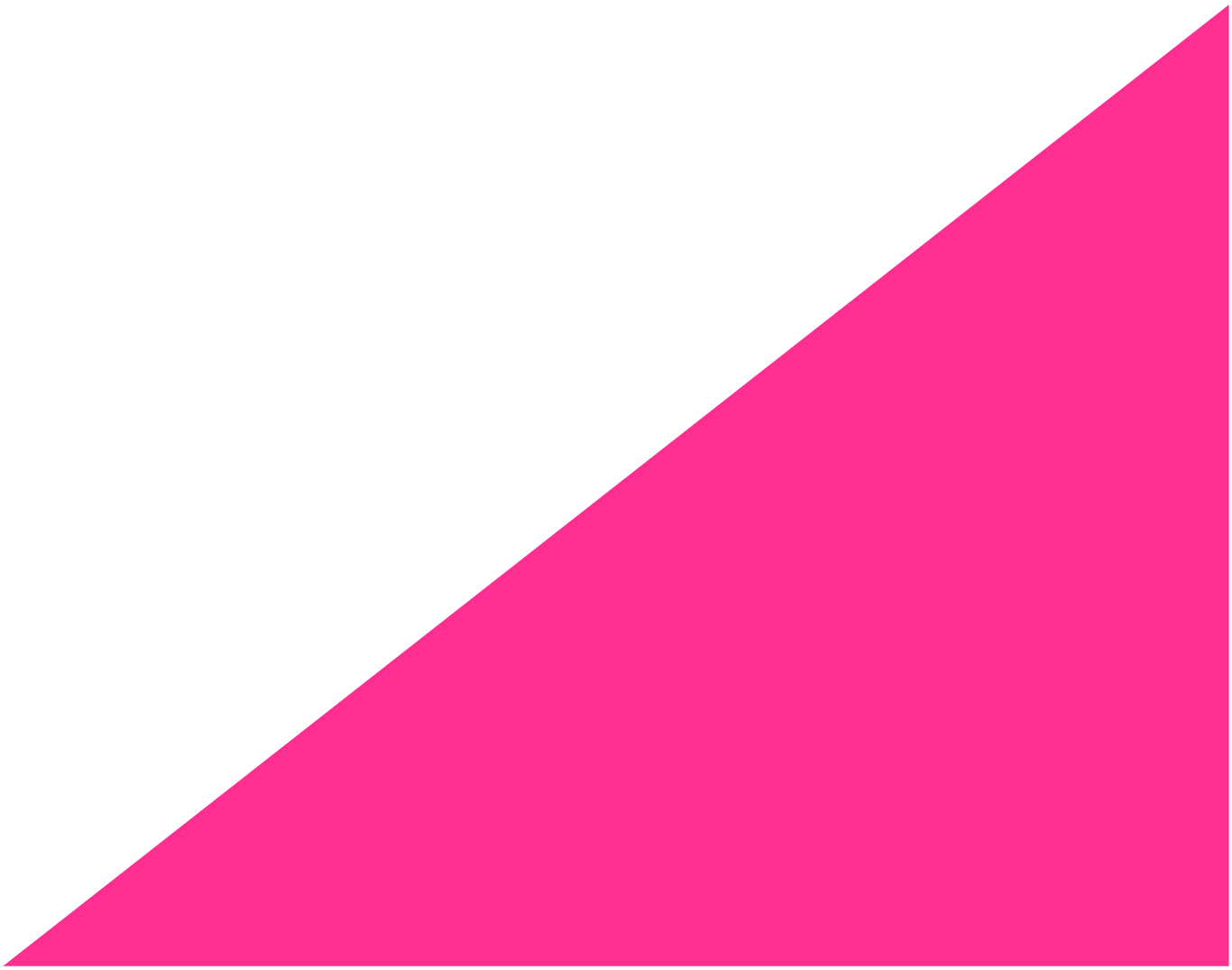
This area represents the cost of  
producing 5 units



This area represents the cost of  
producing 10 units

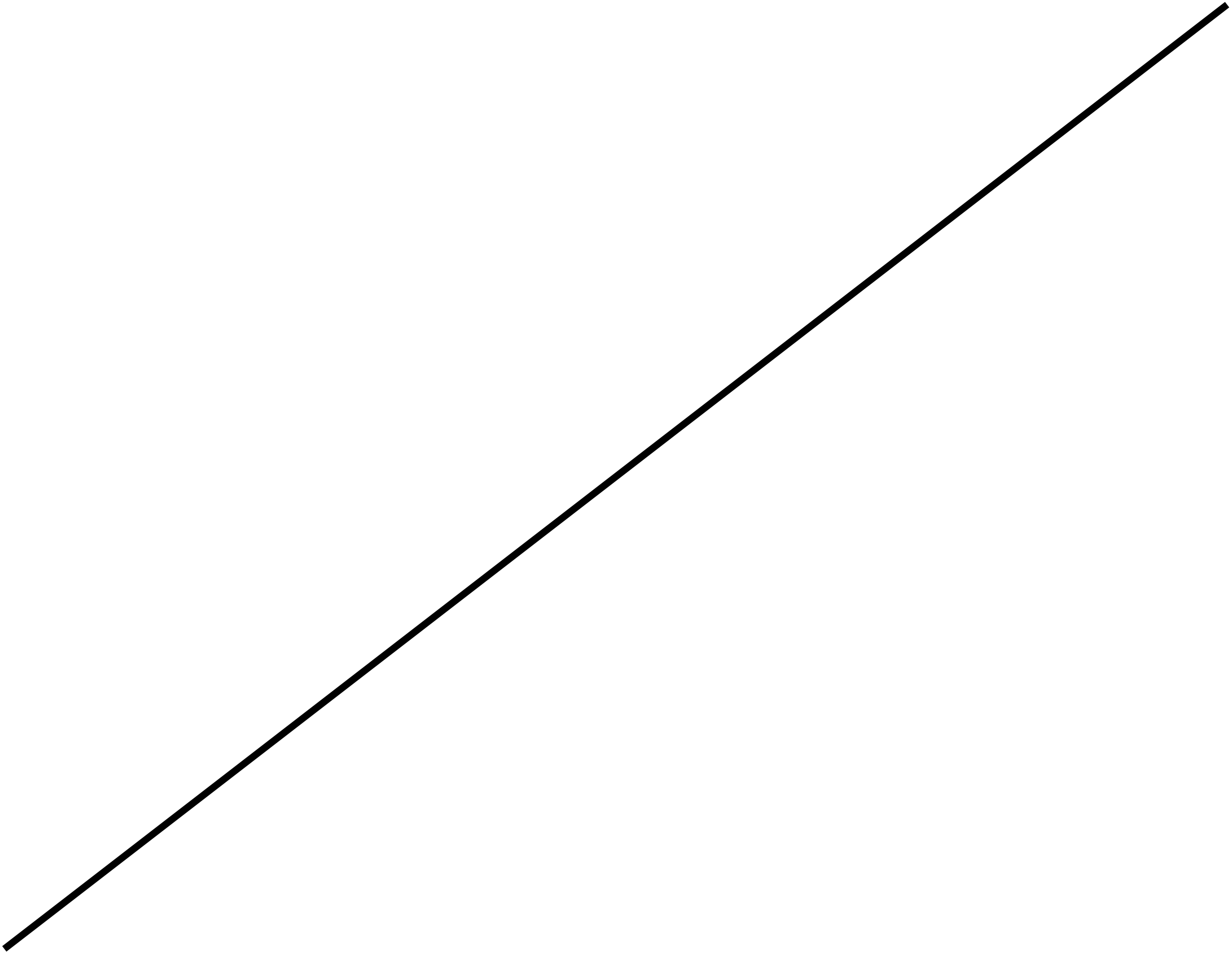


This area represents the cost of  
producing 15 units

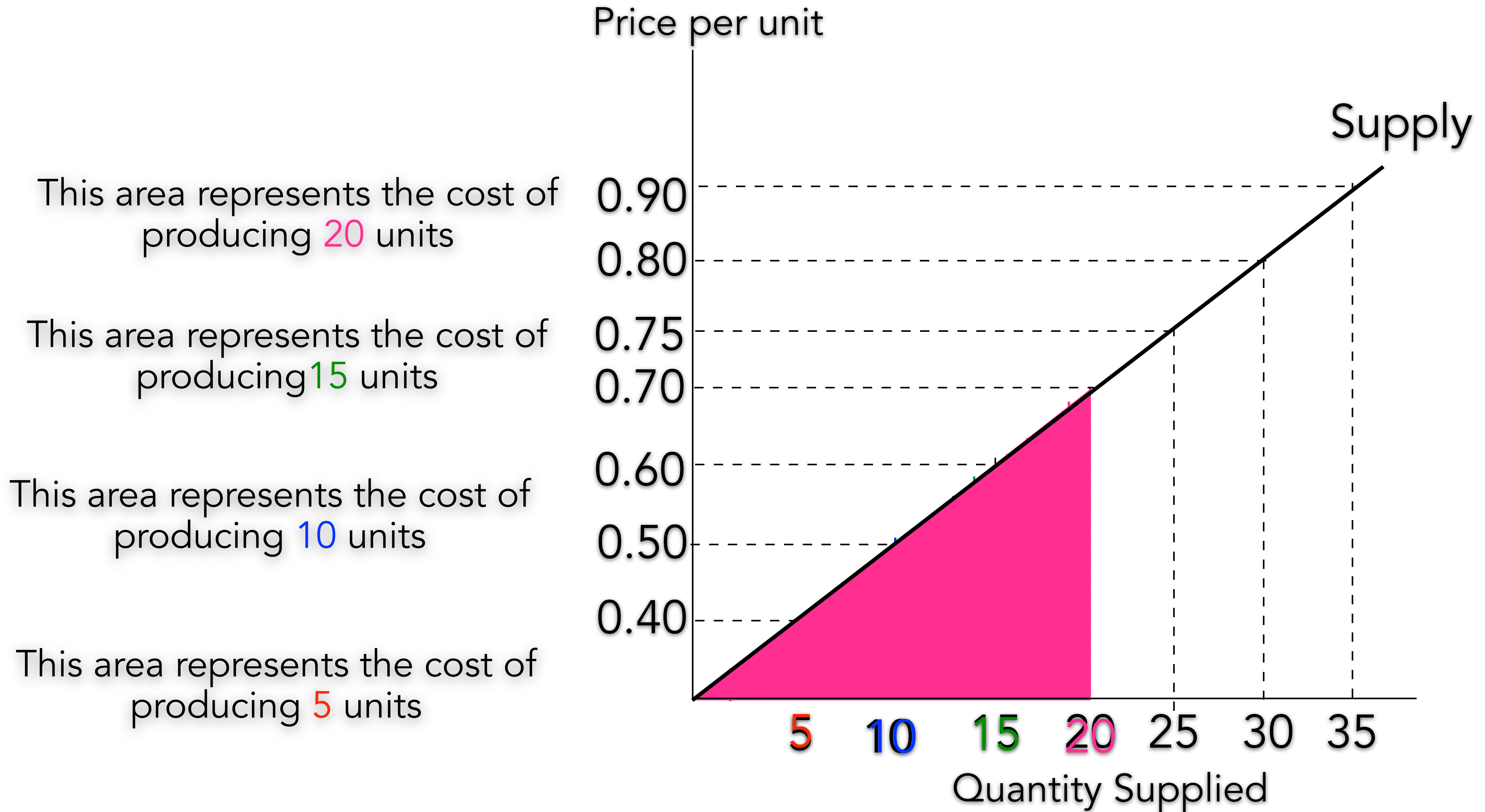


This area represents the cost of  
producing 20 units









Price per unit

