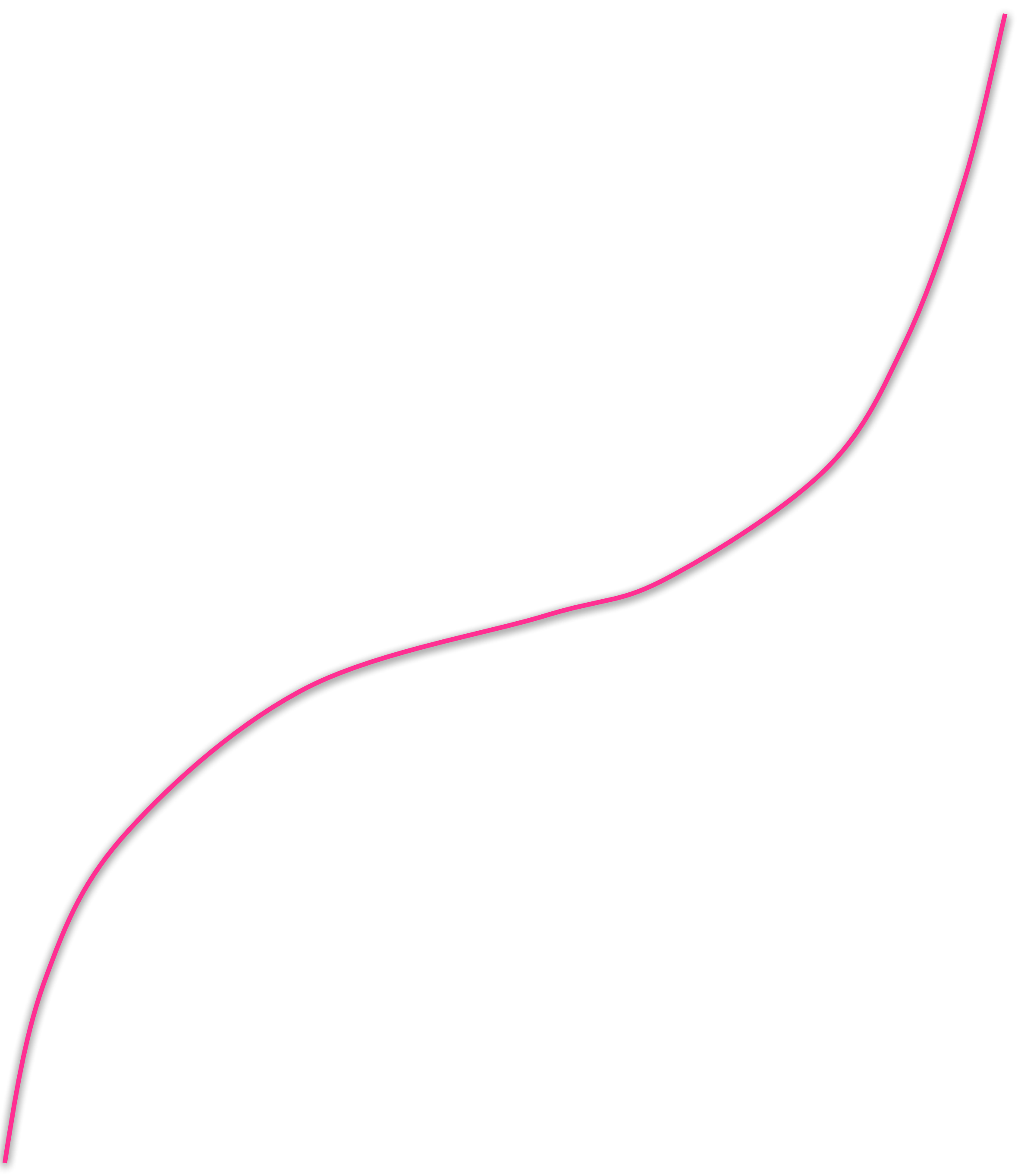
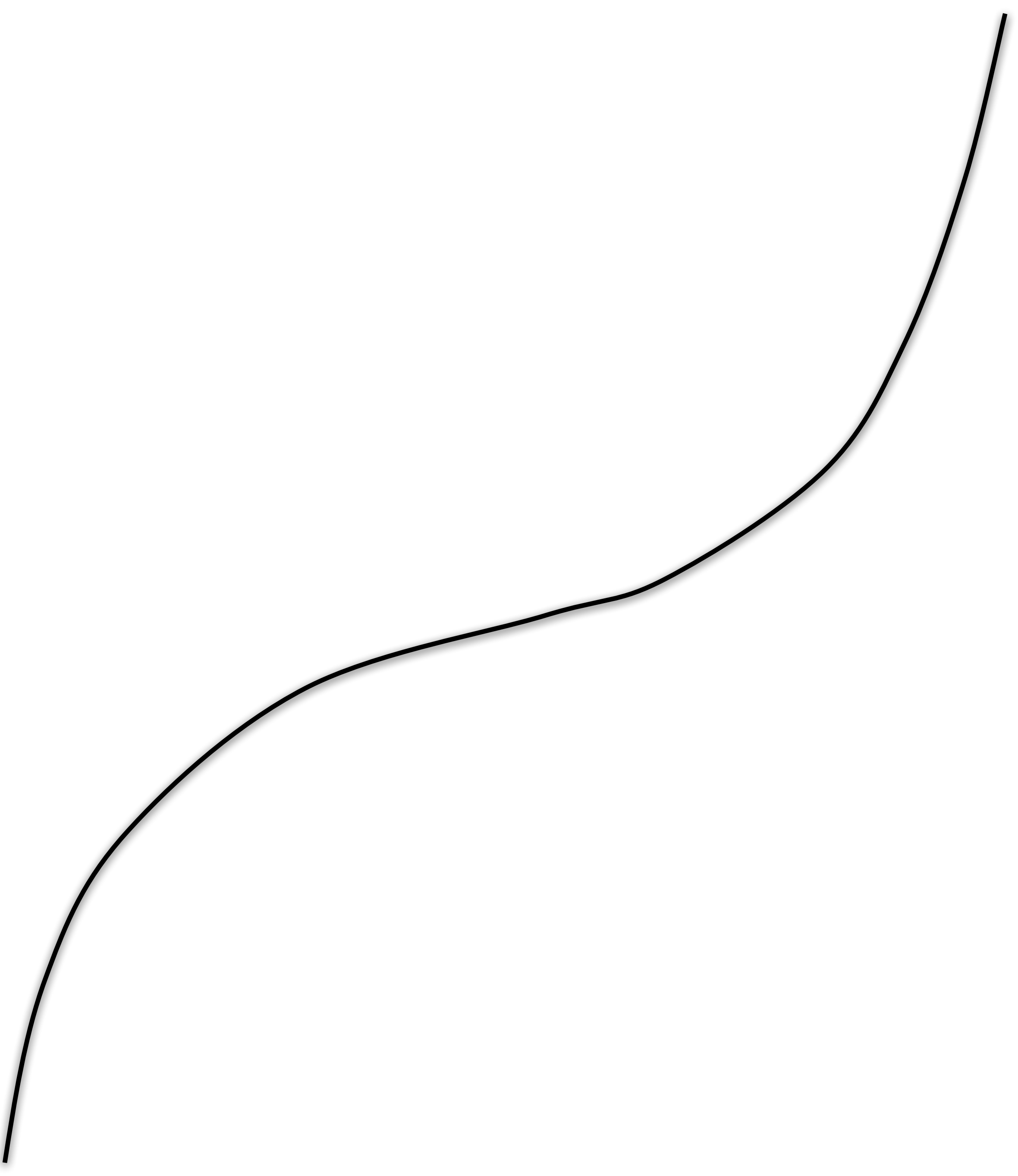
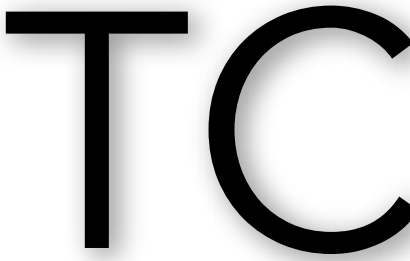
Total Cost = VC + FC

Output

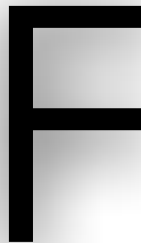


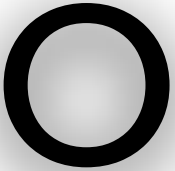

VC

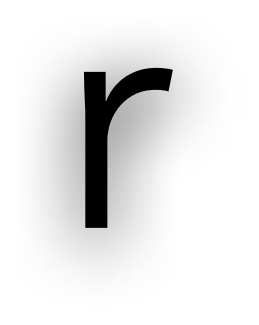



TC

$$FC = TC - VC$$





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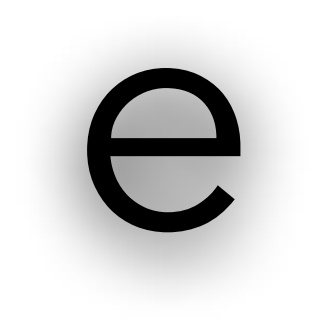

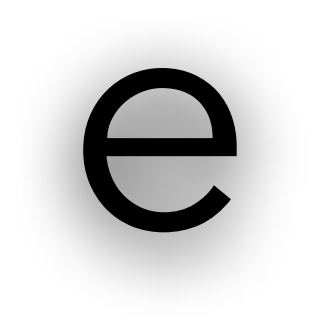

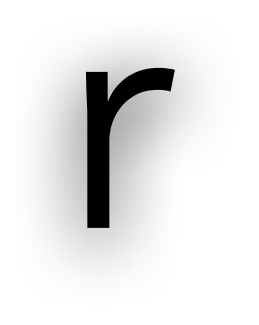
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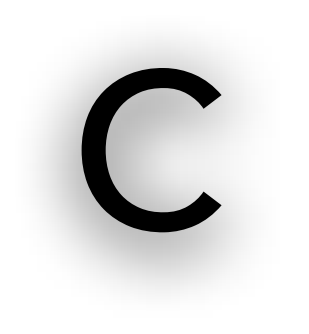
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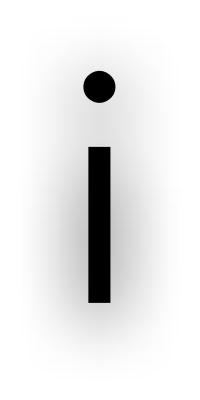

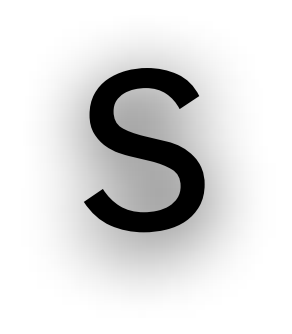

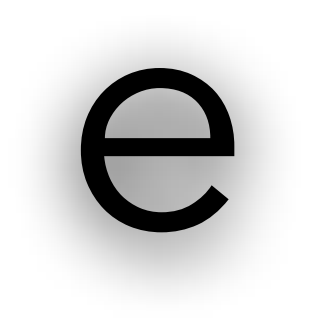

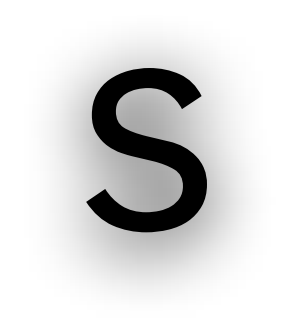

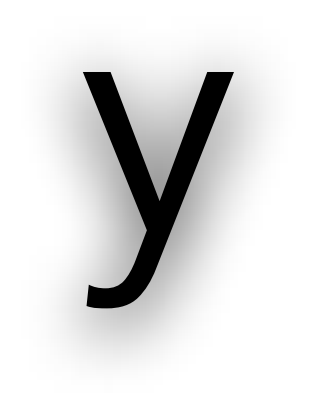
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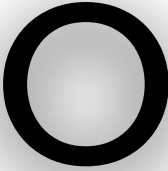

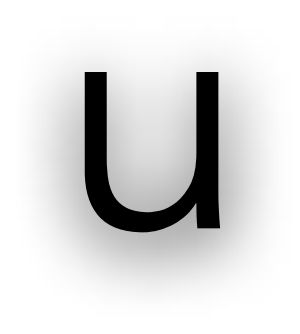

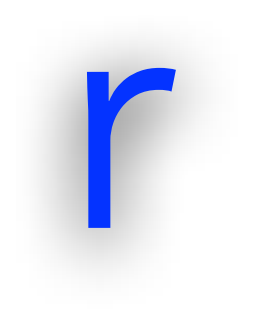


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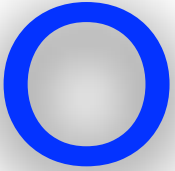


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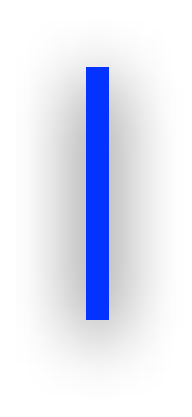


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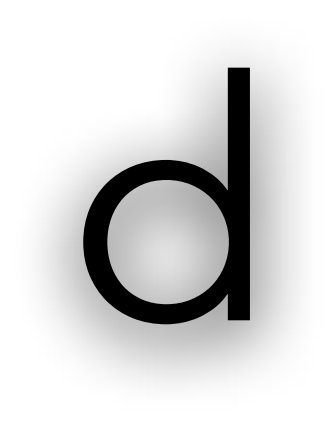

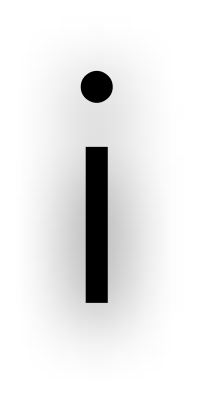

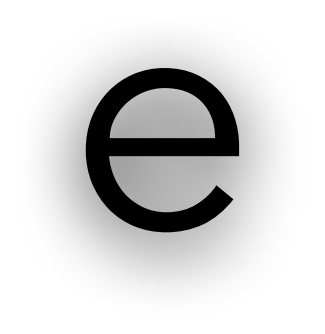

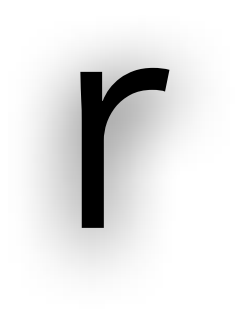
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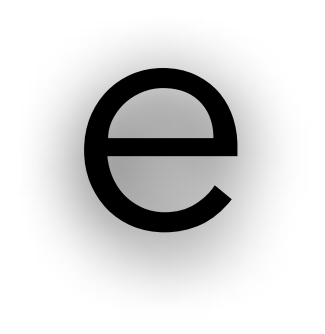

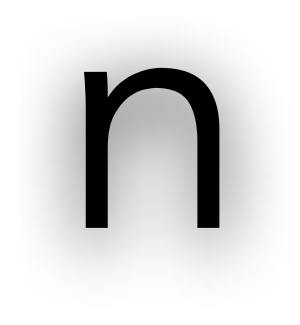
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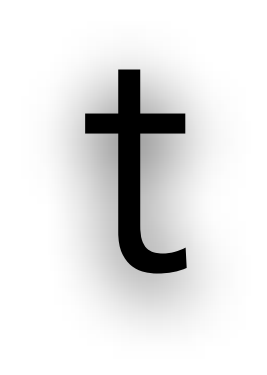
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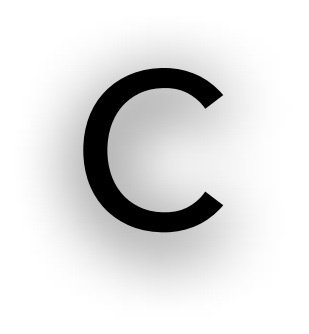
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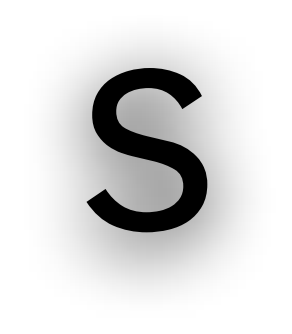

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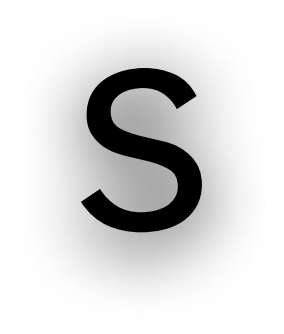
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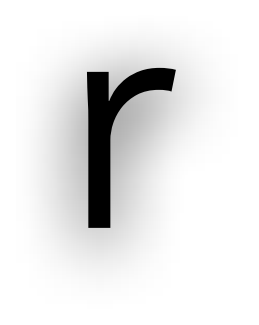
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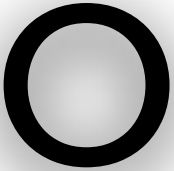

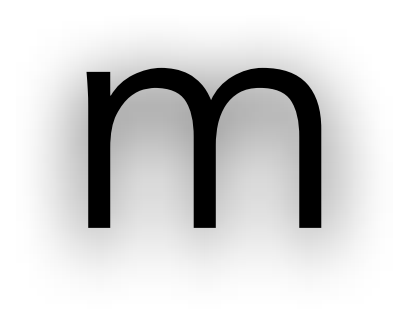

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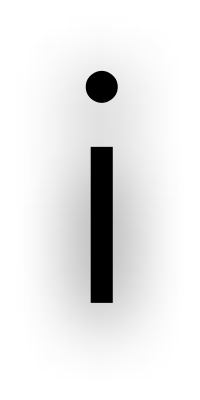

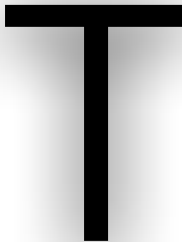

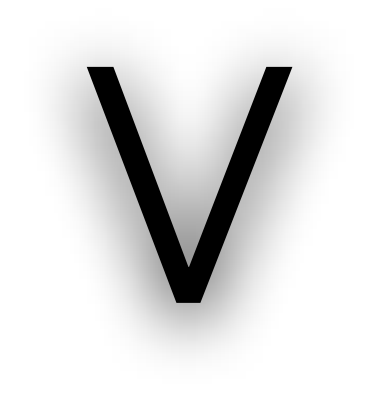

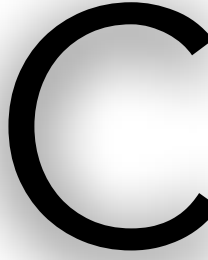

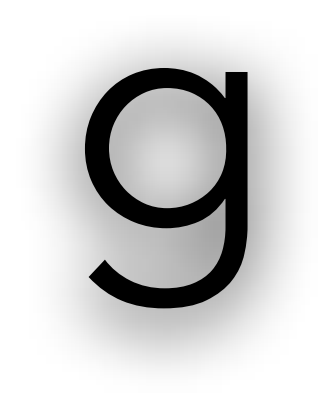

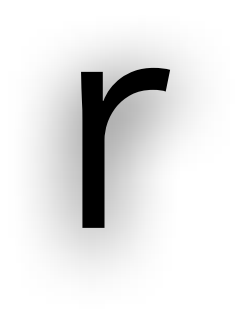
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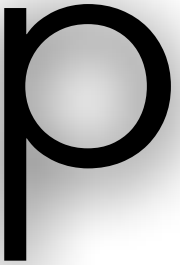
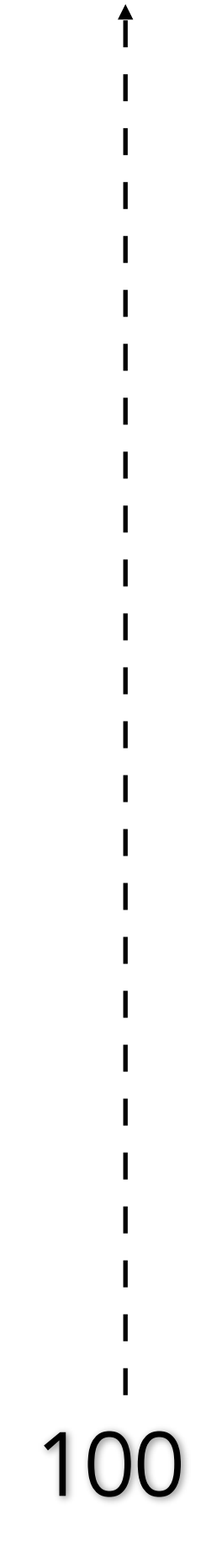


Calculate: FC, ATC, AVC, AFC

Read: TC and VC

VC=150

TC=400


100

Distance between the TC and VC = FC

TC = 400

$$VC = 150$$

$$FC = 400 - 150 = 250$$

$$AVC = \frac{VC}{Q}$$

$$AVC = \frac{150}{100}$$

AVC = $1.5

$$ATC = \frac{TC}{Q}$$

$$ATC = \frac{400}{100}$$

ATC = $4

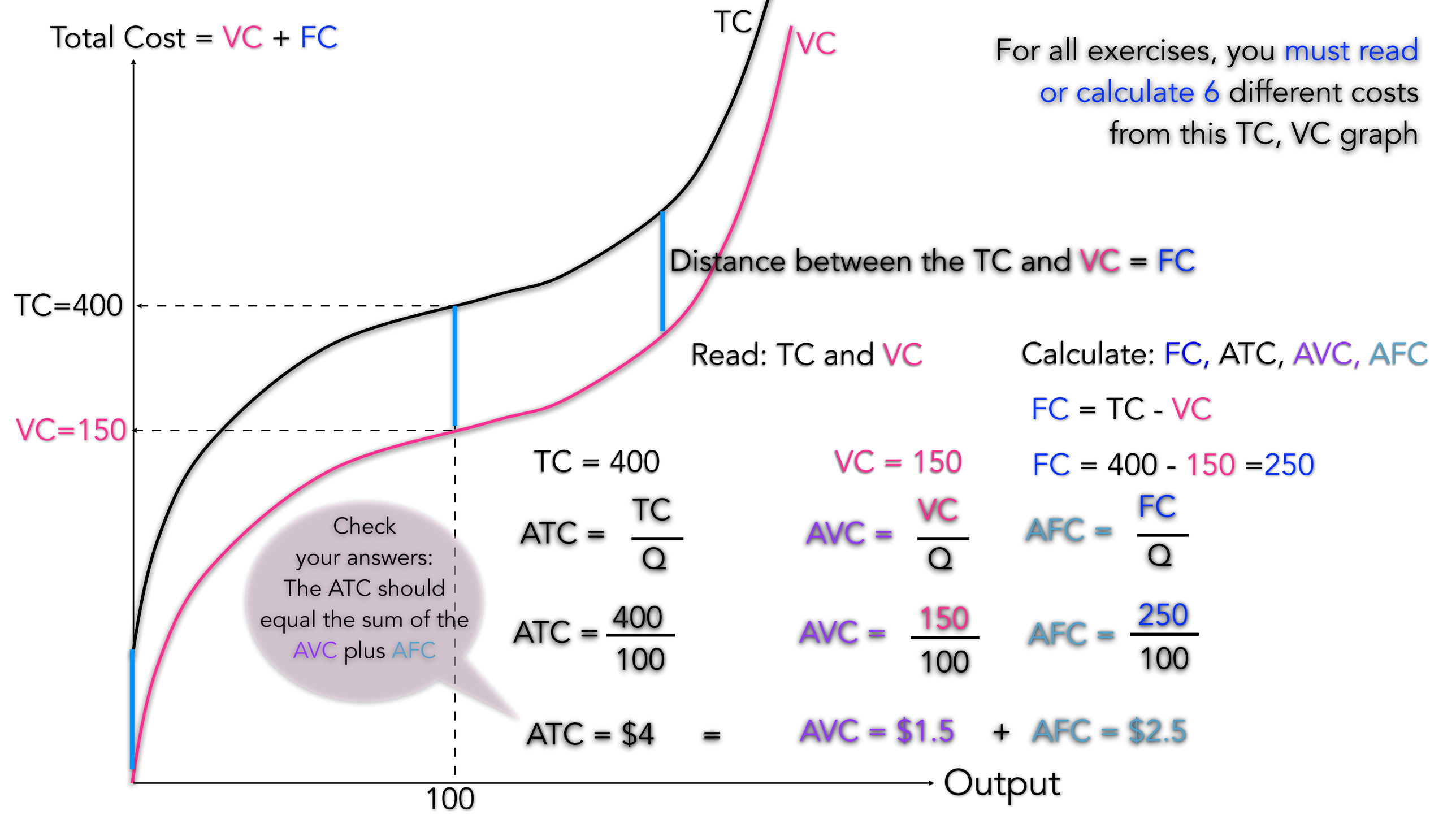
$$AFC = \frac{FC}{Q}$$

$$AFC = \frac{250}{100}$$

AFC = $2.5

Check
your answers:
The ATC should
equal the sum of the
AVC plus AFC

For all exercises, you must read or calculate 6 different costs from this TC, VC graph


Total Cost = VC + FC
TC
VC
For all exercises, you must read or calculate 6 different costs from this TC, VC graph
Distance between the TC and VC = FC
TC=400
VC=150
Read: TC and VC
Calculate: FC, ATC, AVC, AFC
FC = TC - VC
TC = 400
VC = 150
FC = 400 - 150 =250
ATC = TC / Q
AVC = VC / Q
AFC = FC / Q
Check your answers: The ATC should equal the sum of the AVC plus AFC
ATC = 400 / 100
AVC = 150 / 100
AFC = 250 / 100
ATC = $4 = AVC = $1.5 + AFC = $2.5
100
Output