



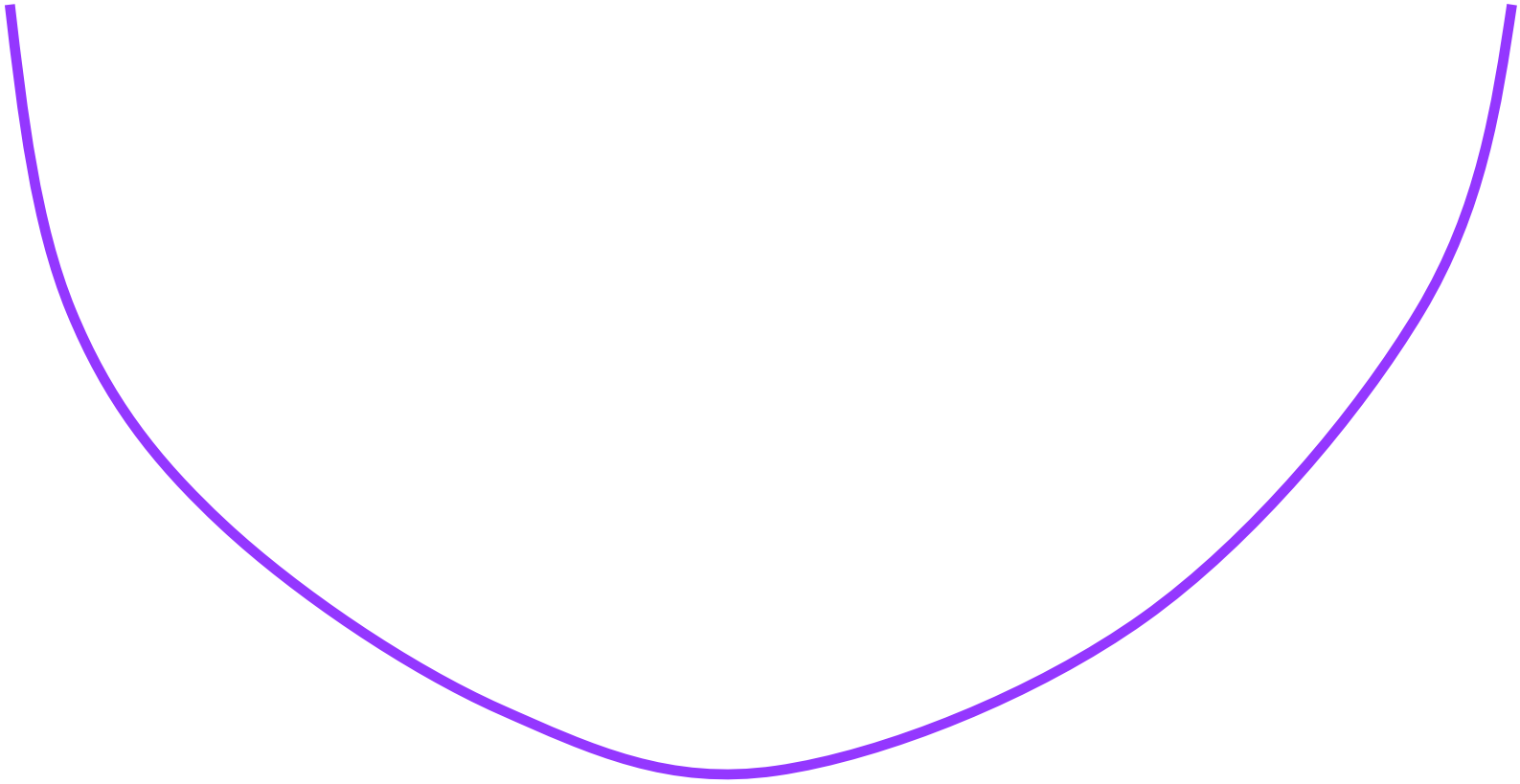






**Q = 10**

$$AVC = \$15$$



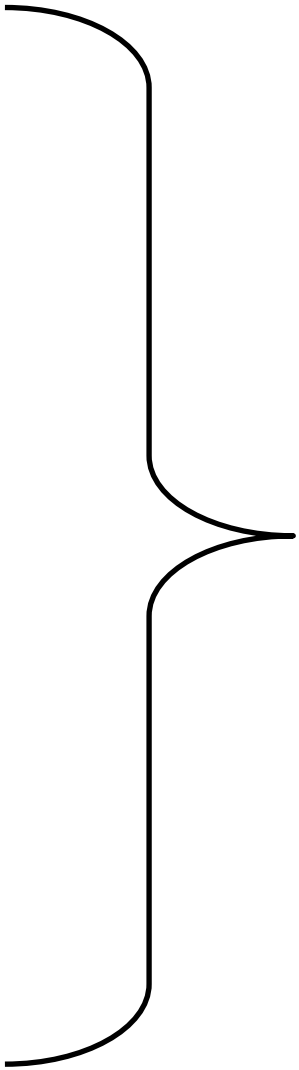
\$15



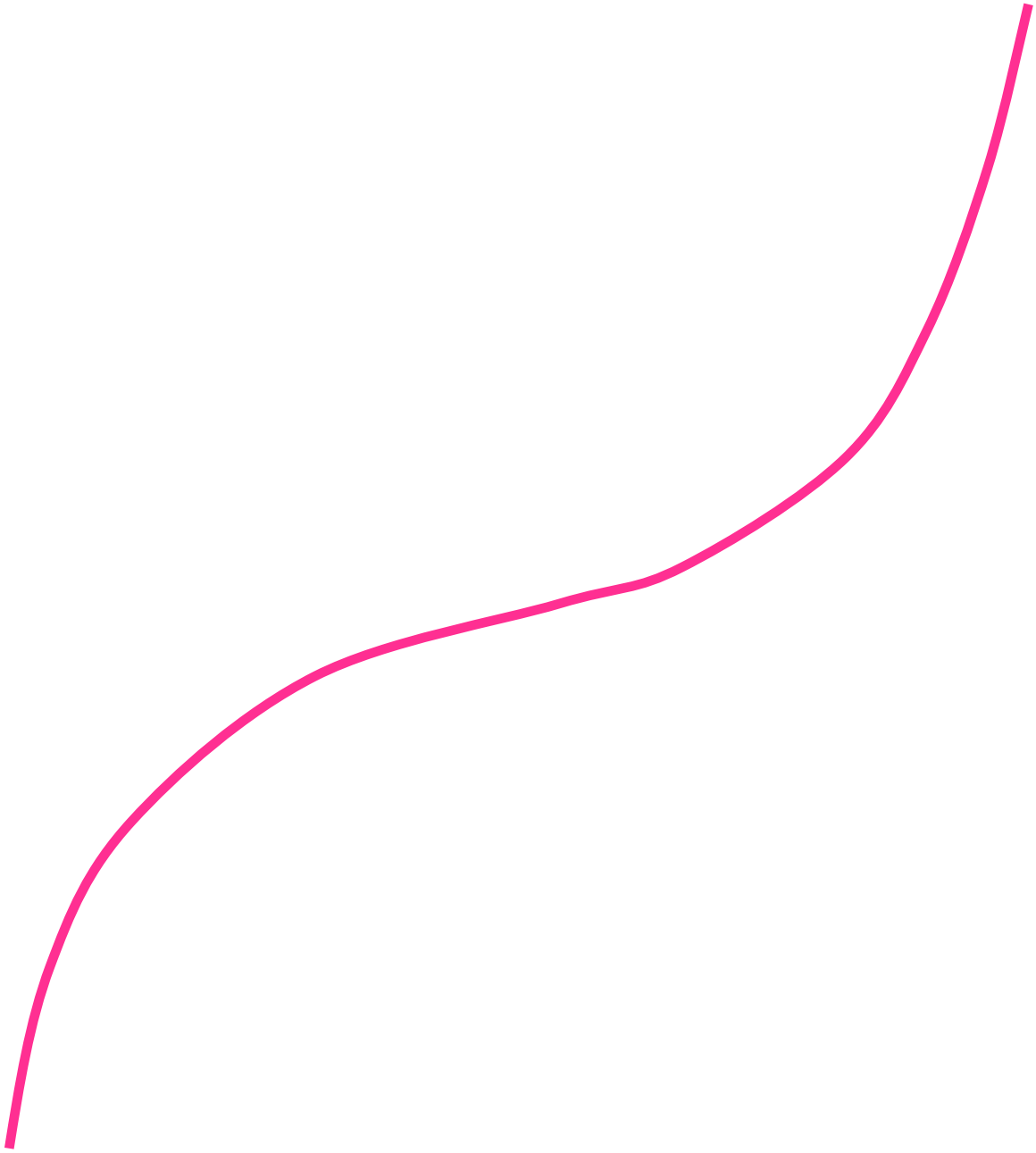
AVC







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

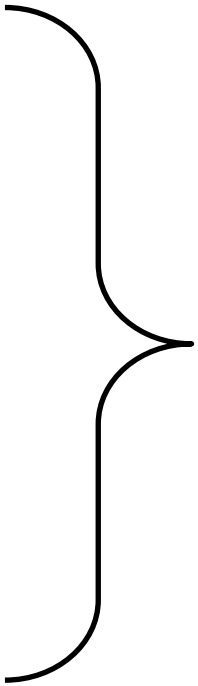












VC = 150



1550

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

$$VC = AVC \times Q$$

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

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

$$AVC = \$15$$











6

10



























































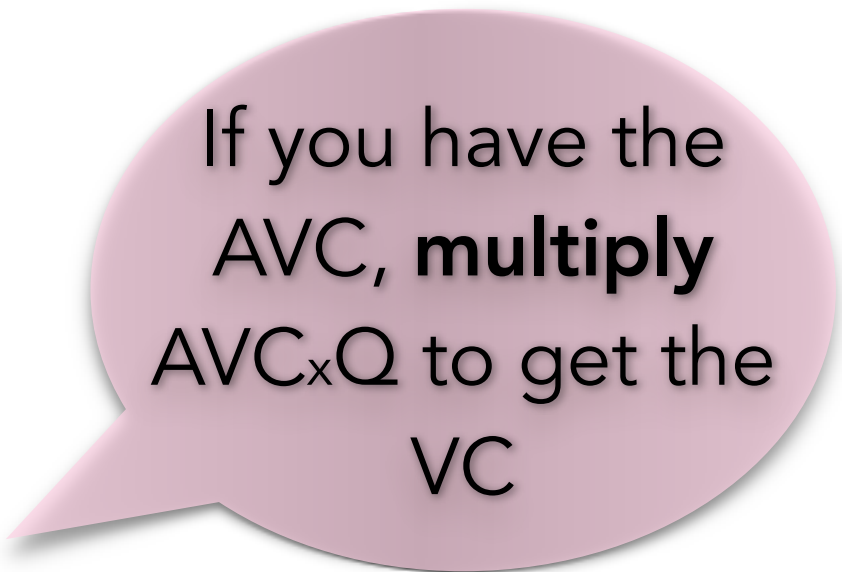




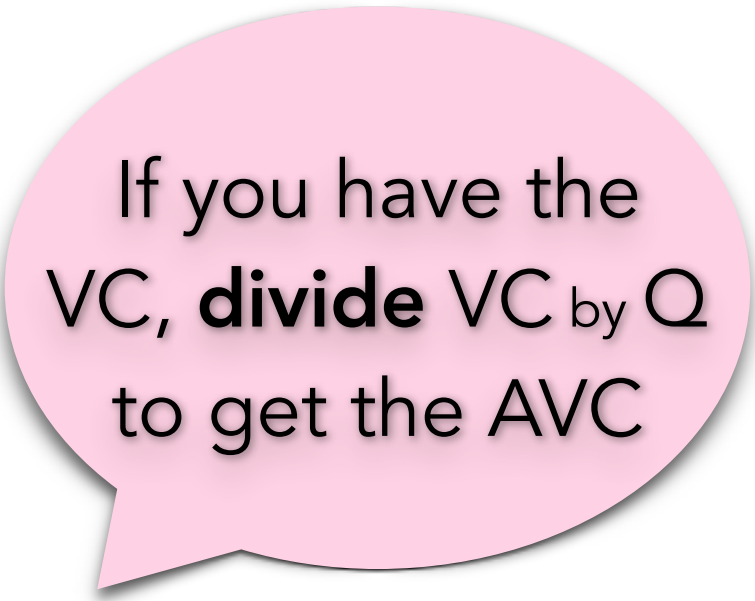




5

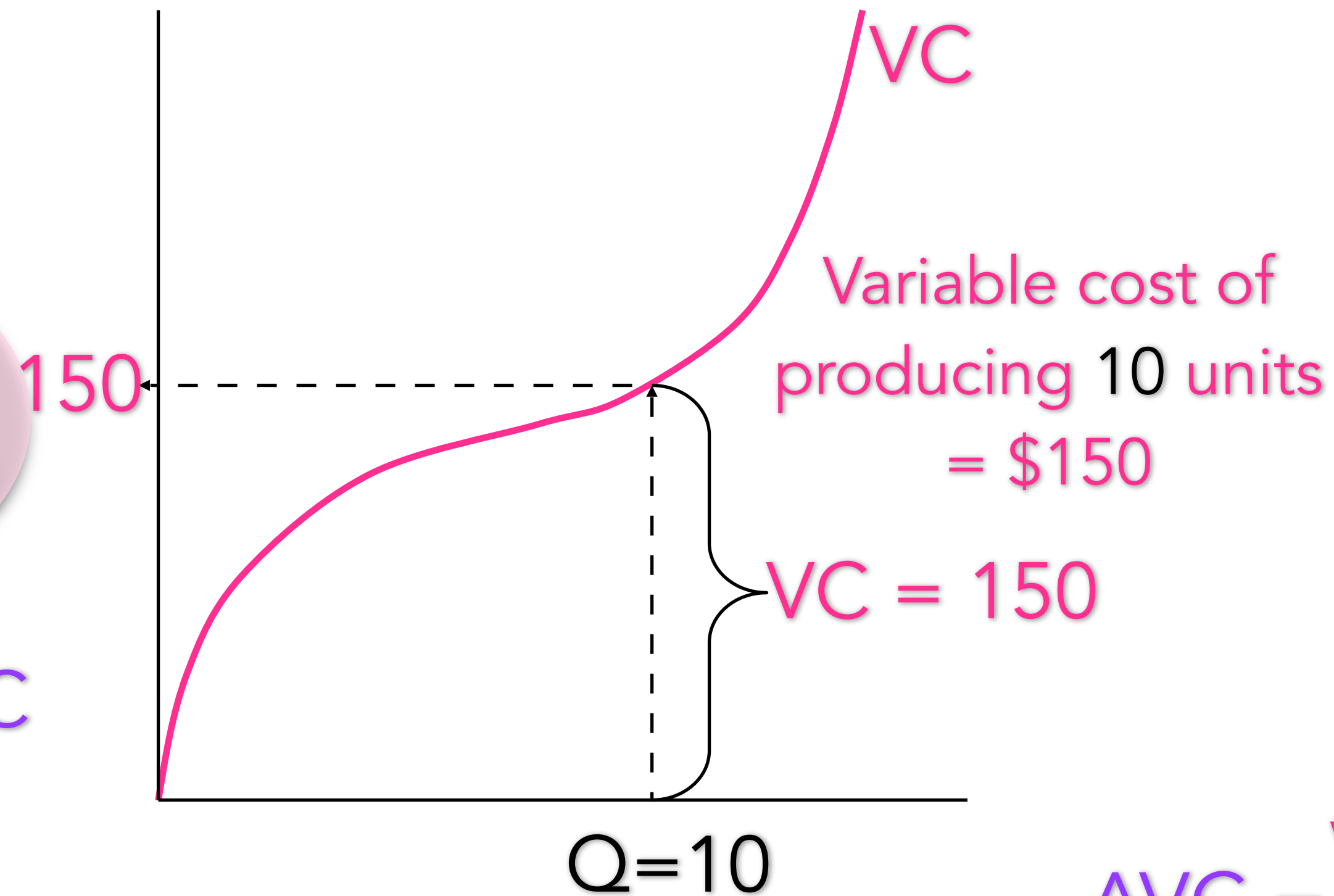
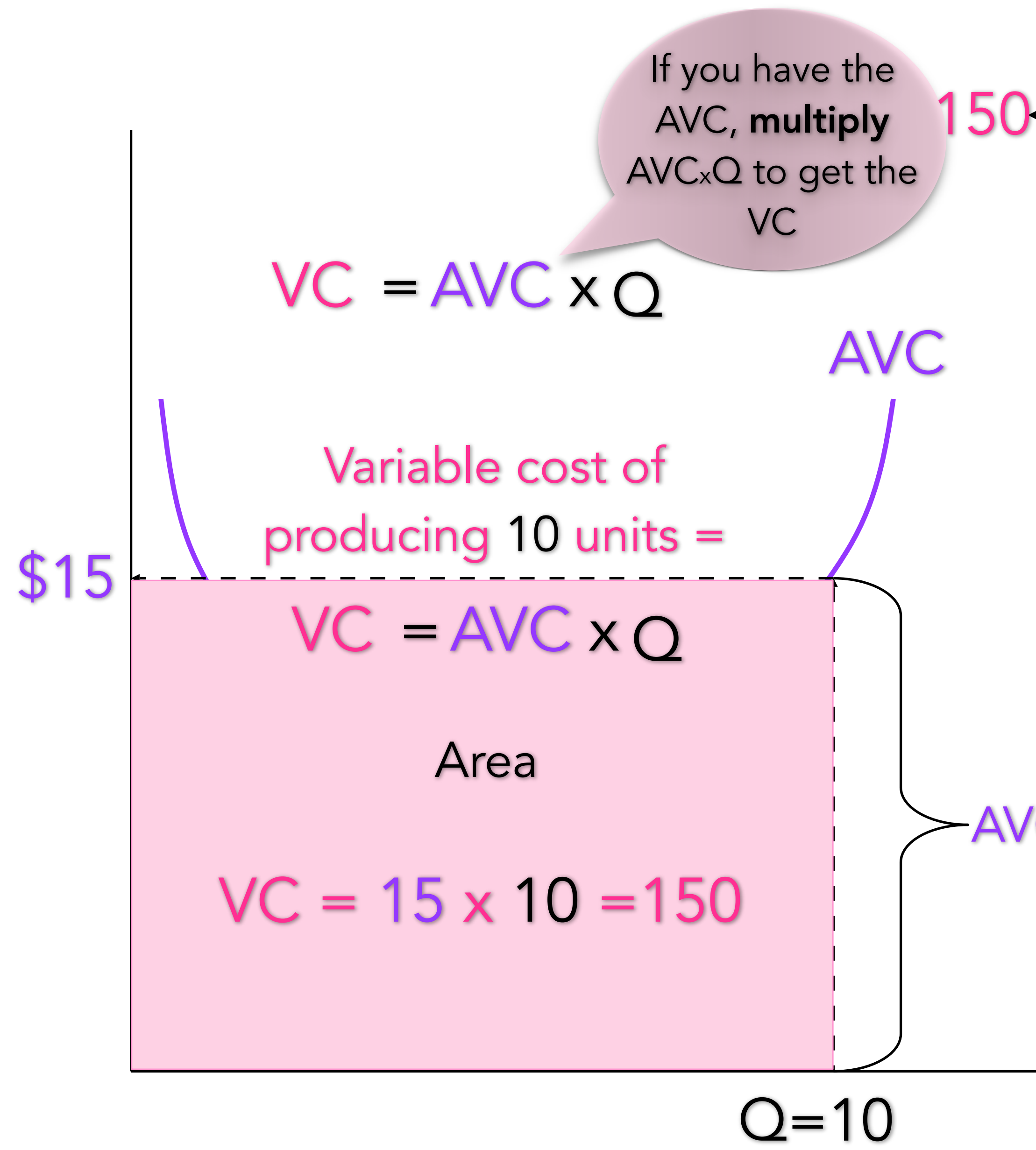
A pink speech bubble with a white drop shadow, containing text about calculating Variable Costs (VC) from Average Variable Costs (AVC) and Quantity (Q).

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

A pink speech bubble with a white drop shadow, containing text about calculating Average Variable Cost (AVC) from Variable Cost (VC) and Quantity (Q).

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

# Reading Cost Curves



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

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

$AVC = \$15$  Variable cost of producing each unit = \$15  $AVC = \$15$

Total Cost = VC + FC

