







Output





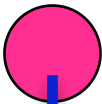




Cost per unit drops as
the Marginal Product
Increase



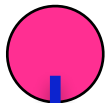
\$2 = Marginal Cost unit1



$\$0.66 = MC_3$

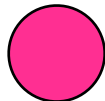


3



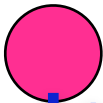
\$1 = MC \text{ unit } 2

2



$\$0.50 = MC_4$

4



$\$0.40 = MC_5$



5

Marginal Cost: Cost of the
last unit produced

Variable Costs increase with decreasing slope

2

-

-

-

-

3



4.16 - - - - -

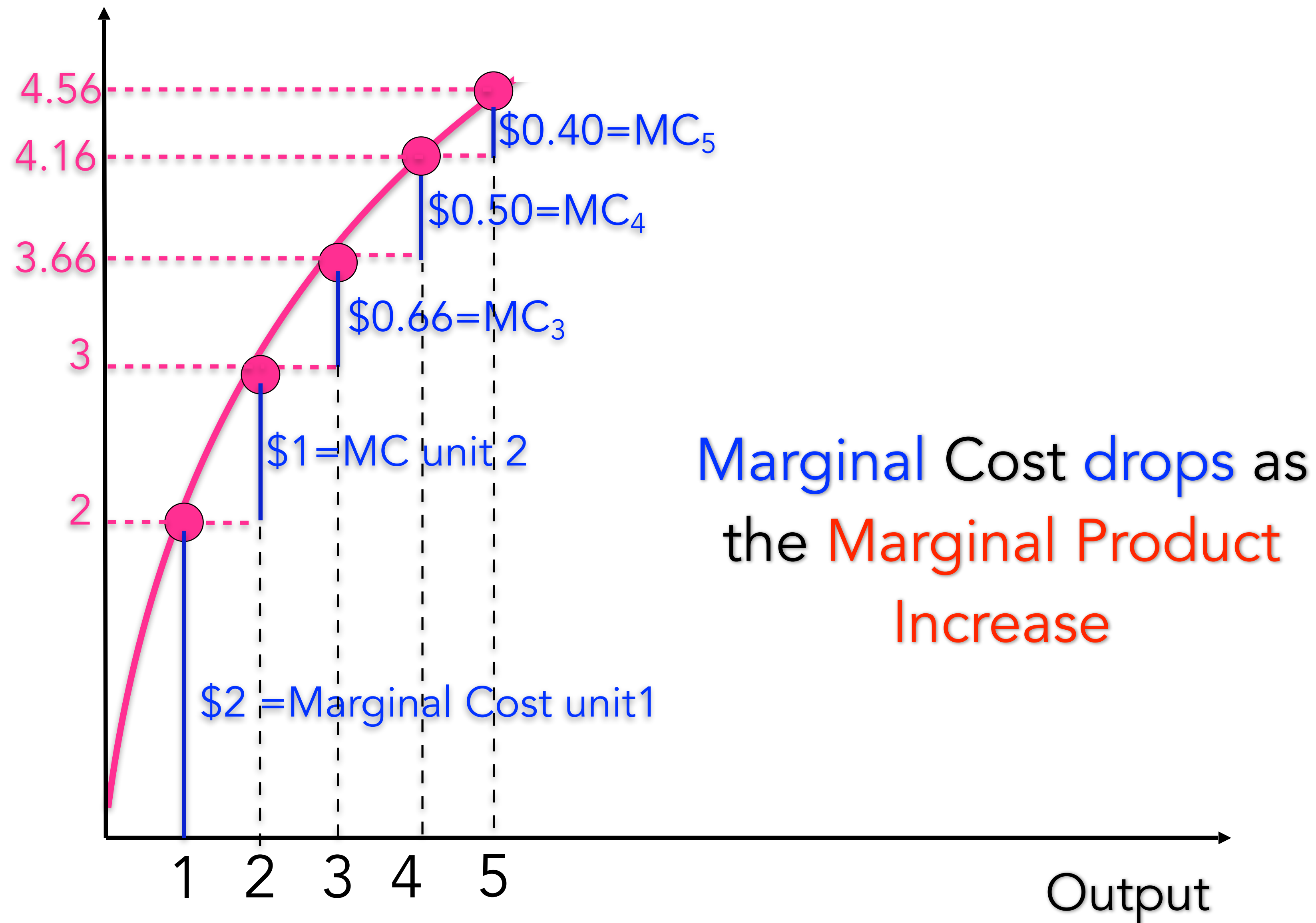
3.66 - - - - -

4.56.....

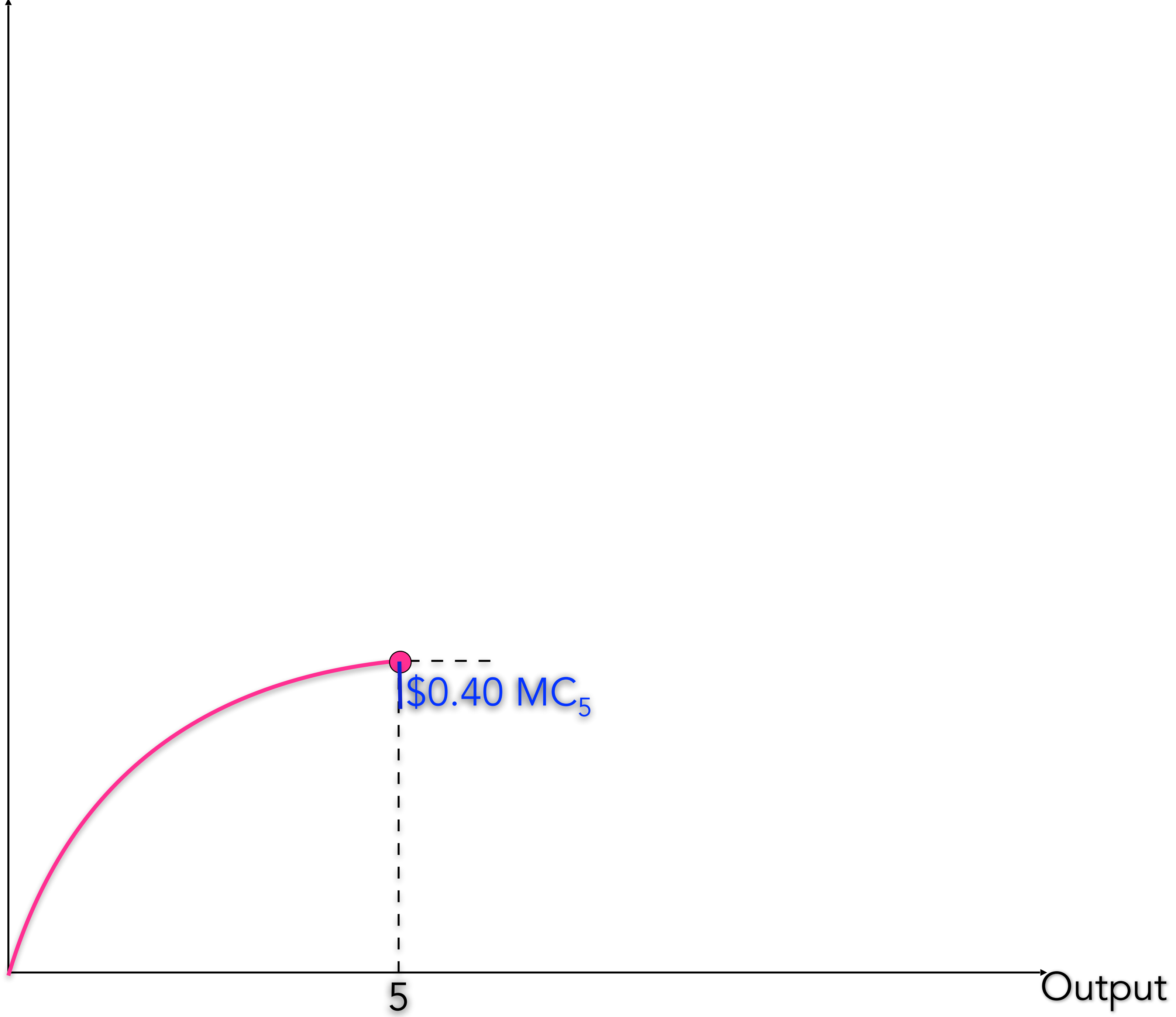
Marginal Cost drops as
the Marginal Product
Increase

Marginal Cost

Variable Costs increase with decreasing Marginal Cost



Variable Cost



Output