Average Fixed Cost = FC/Q

$$Q=100$$

$$Q=10,000$$

14

1,400


AFC

Average Fixed Cost

For Q=100

AFC =1,400

For Q=10,000

AFC = 14

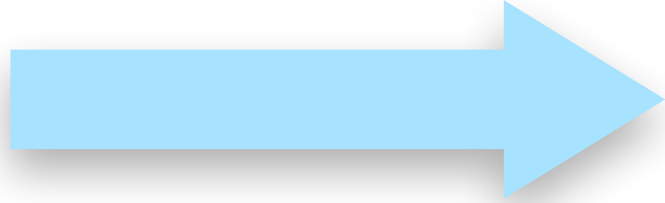
AFC = 140,000/10,000 = 14

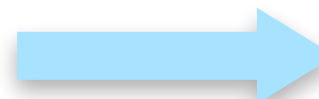
AFC = 140,000/1,000 = 140

140

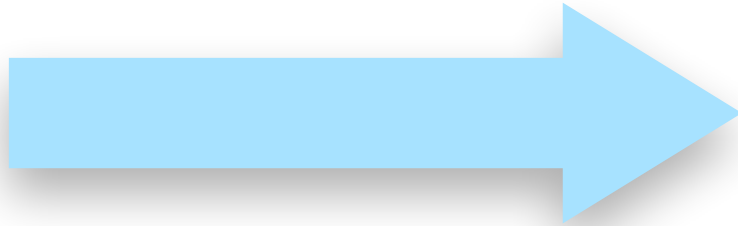
$$Q=1,000$$

Q=1,000



Q=10,000 

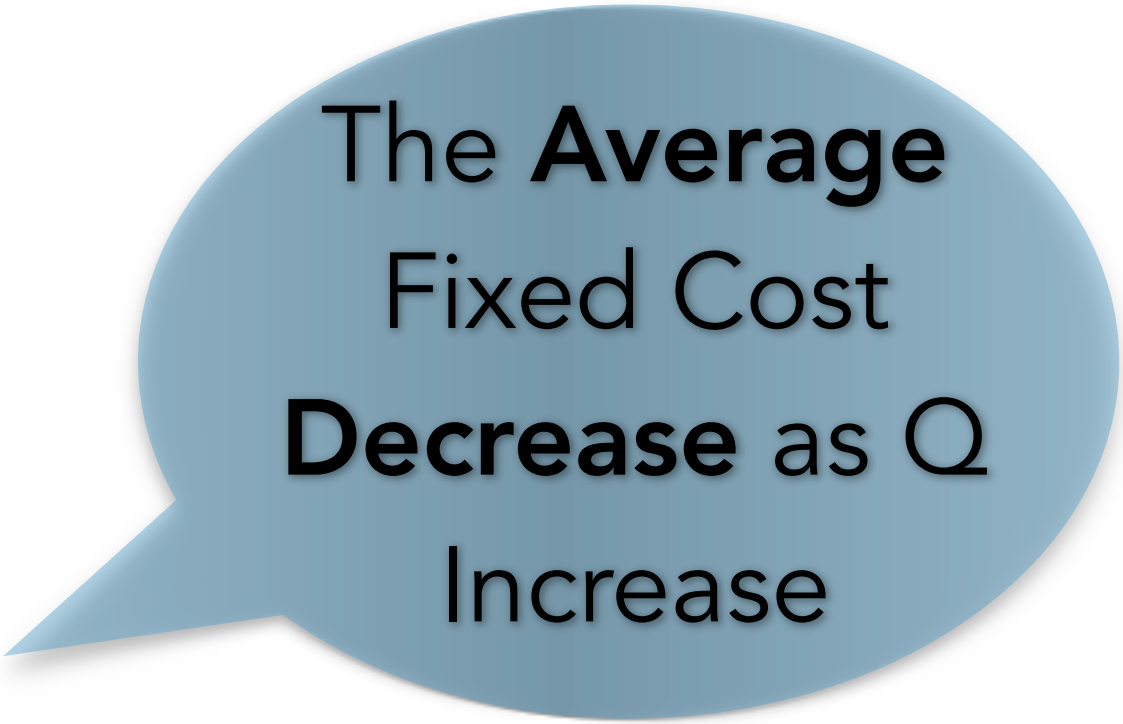
Q=100

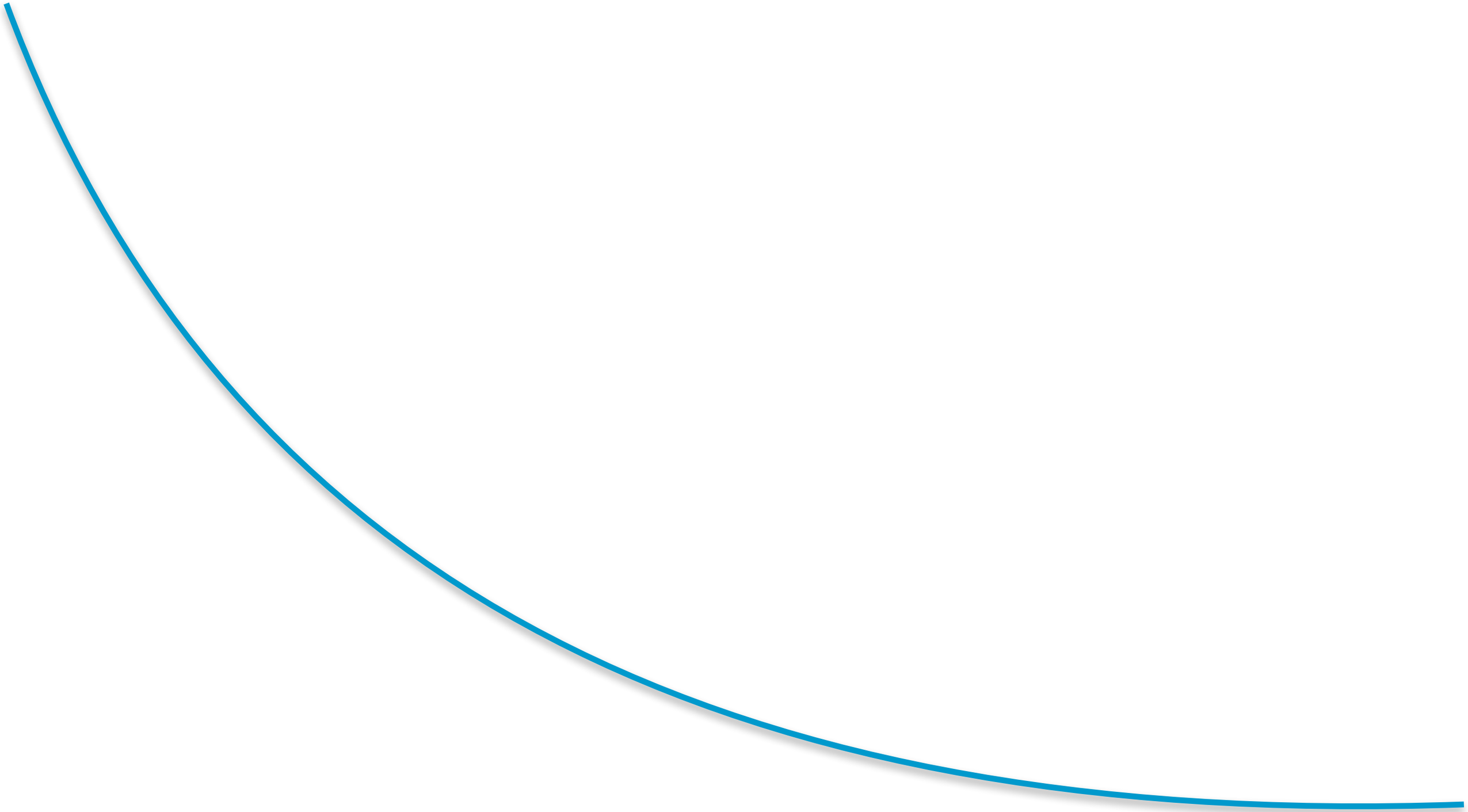


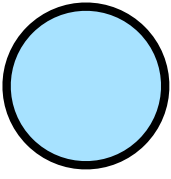
AFC = 140,000/100 = 1,400

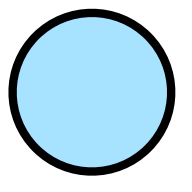
FC = $140,000

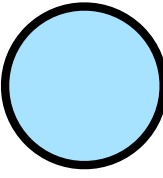

Even though
Fixed Cost
remains the **same**


The **Average**
Fixed Cost
Decrease as Q
Increase









For Q=1,000

AFC = 140

Average Fixed Cost

Average Fixed Cost

FC = $140,000

Average Fixed Cost = FC/Q

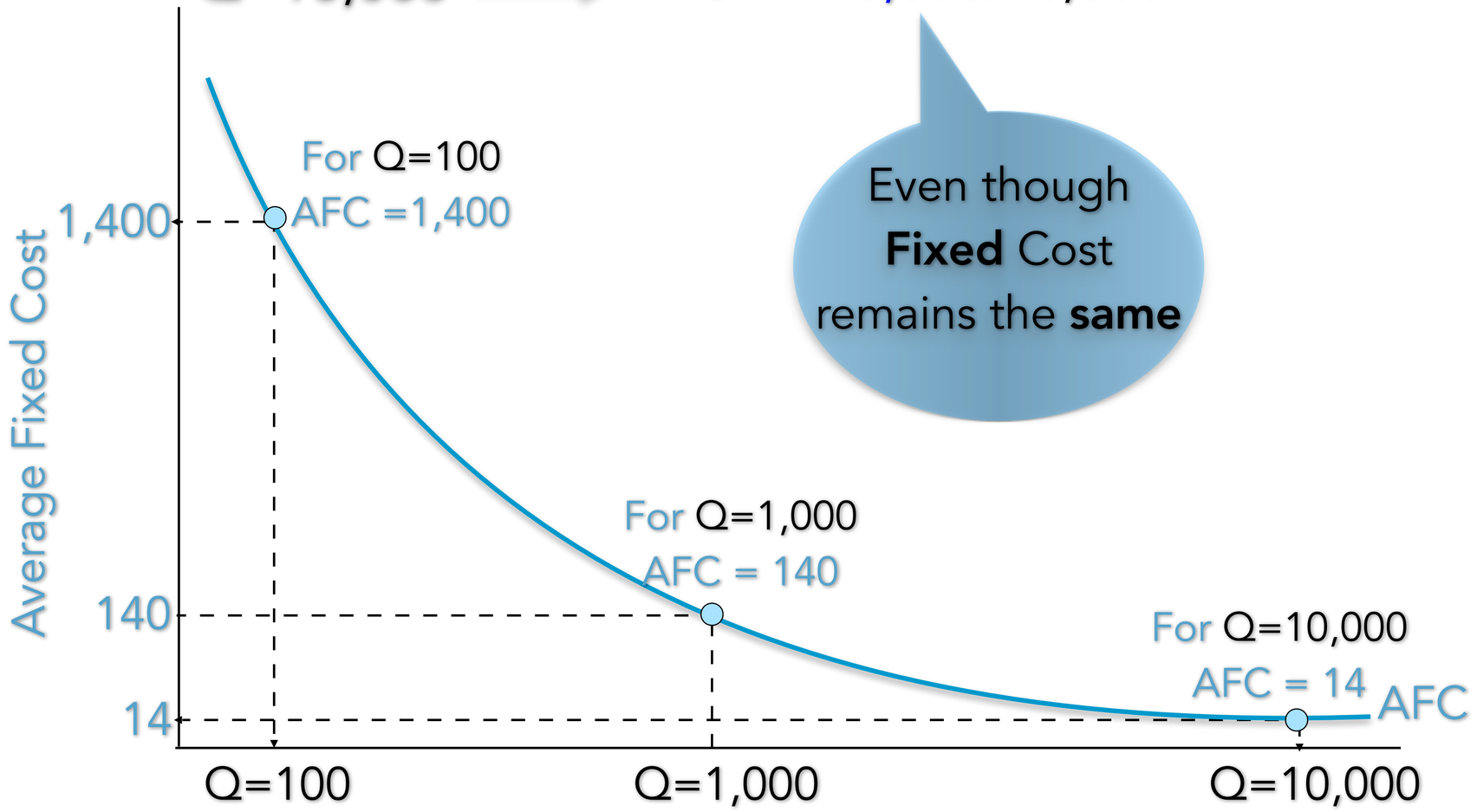
Q=100 → AFC = 140,000/100 = 1,400

Q=1,000 → AFC = 140,000/1,000 = 140

Q=10,000 → AFC = 140,000/10,000 = 14

The **Average** Fixed Cost **Decrease** as Q Increase

Even though **Fixed** Cost remains the **same**



TC = FC + VC