











5

10

15

20

25

0.40



0.50



0.60



0.70



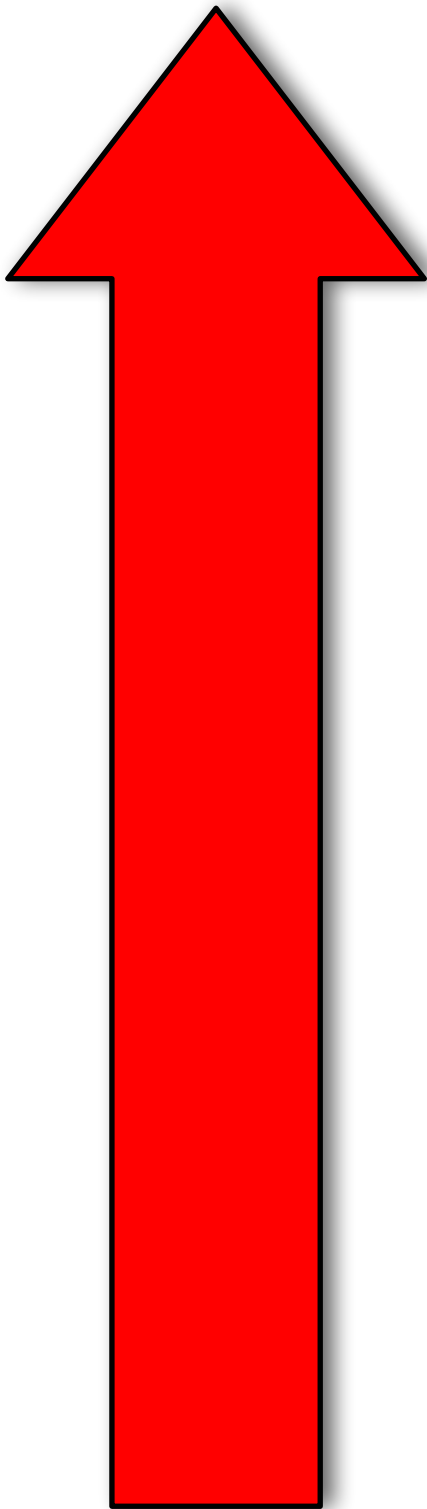


Supply

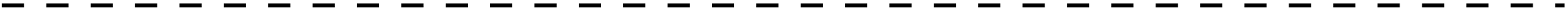
Price per unit

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



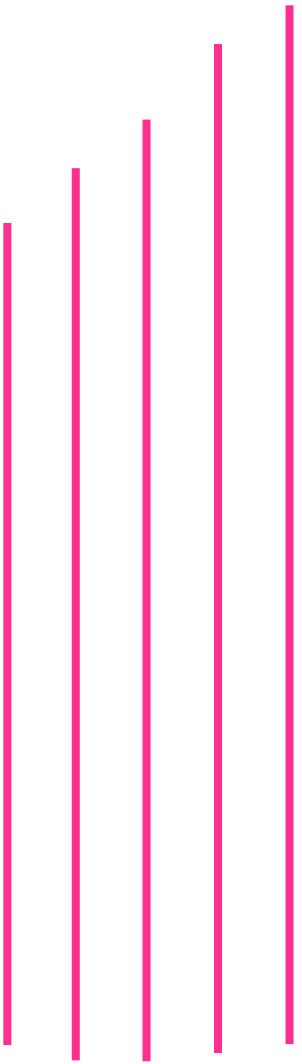
To calculate the cost of producing 20 units, we add the distance to the supply line

5

10

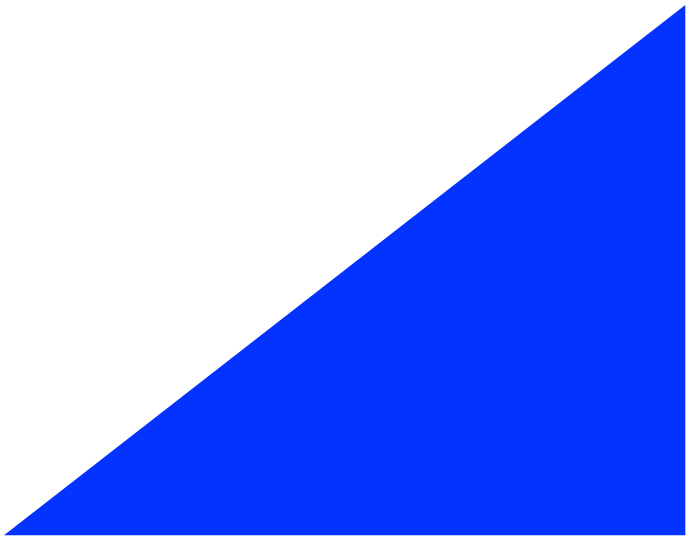
15

20

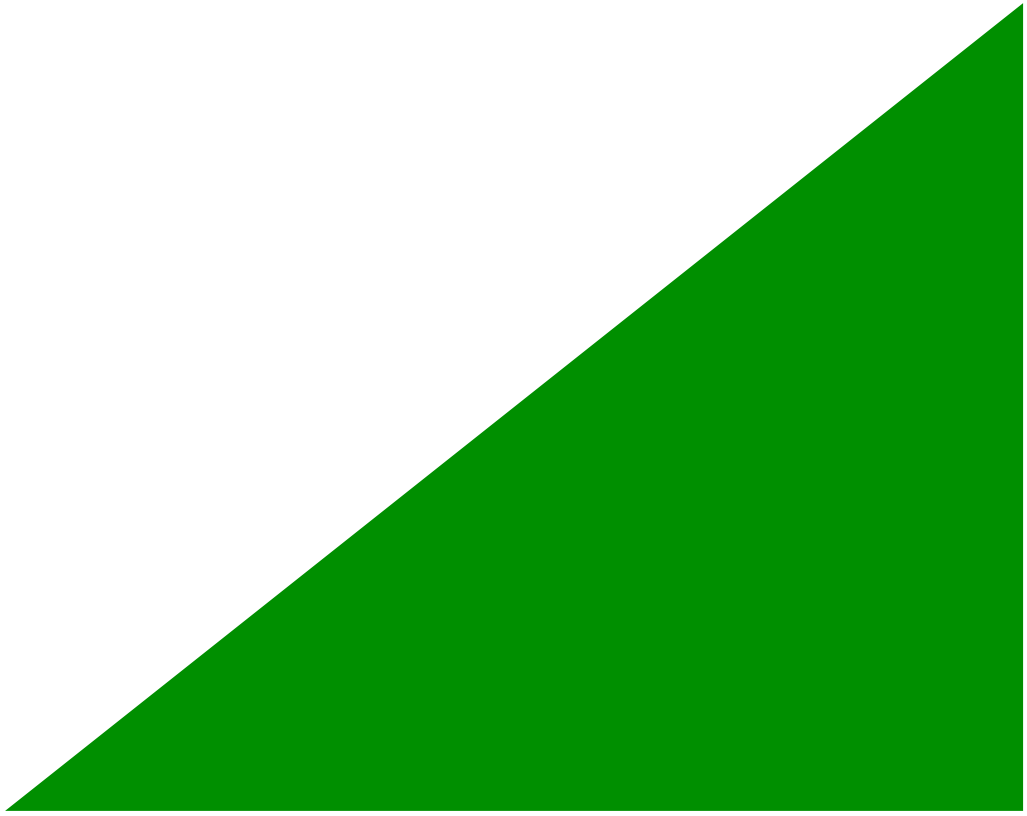




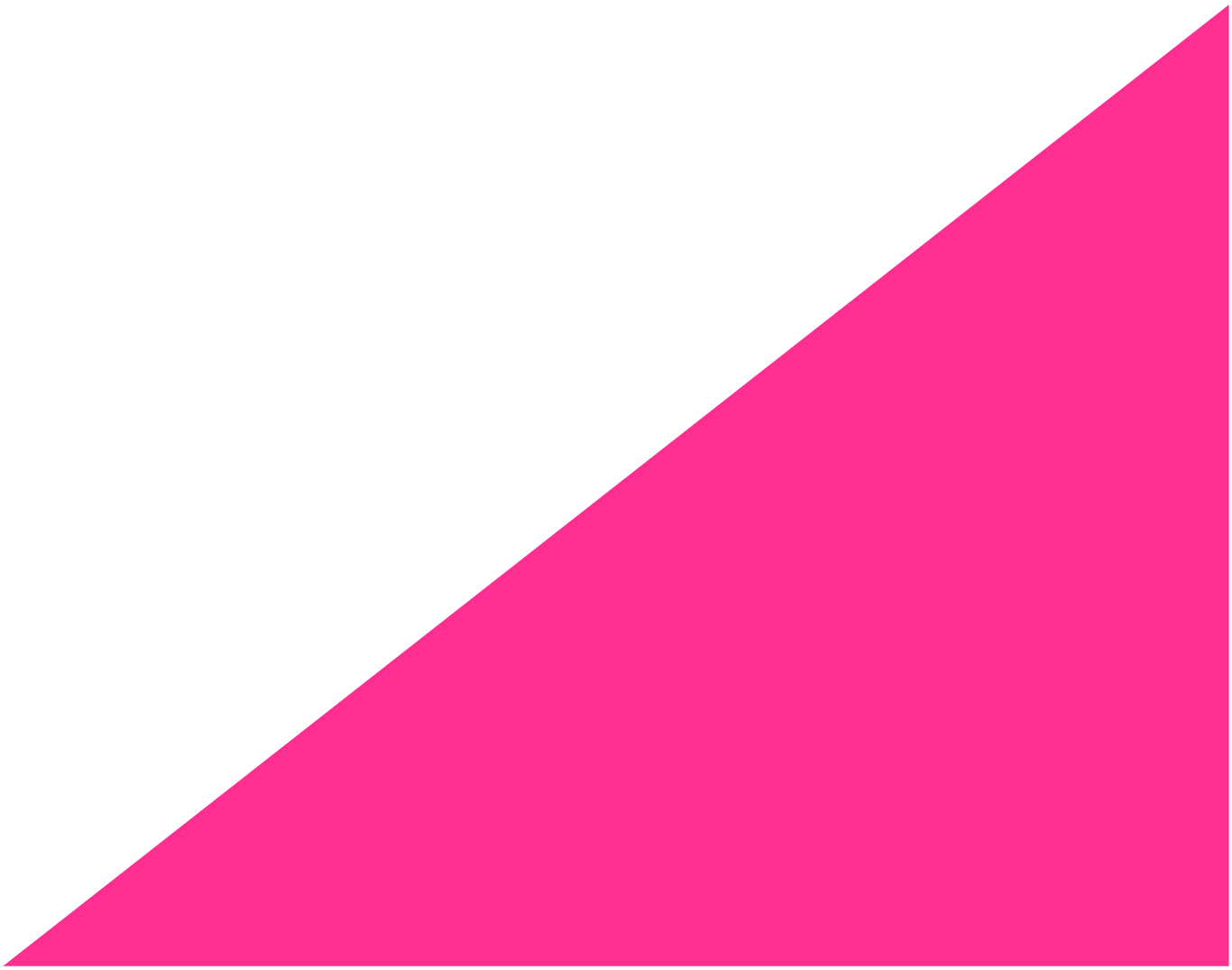
This area represents the cost of
producing 5 units



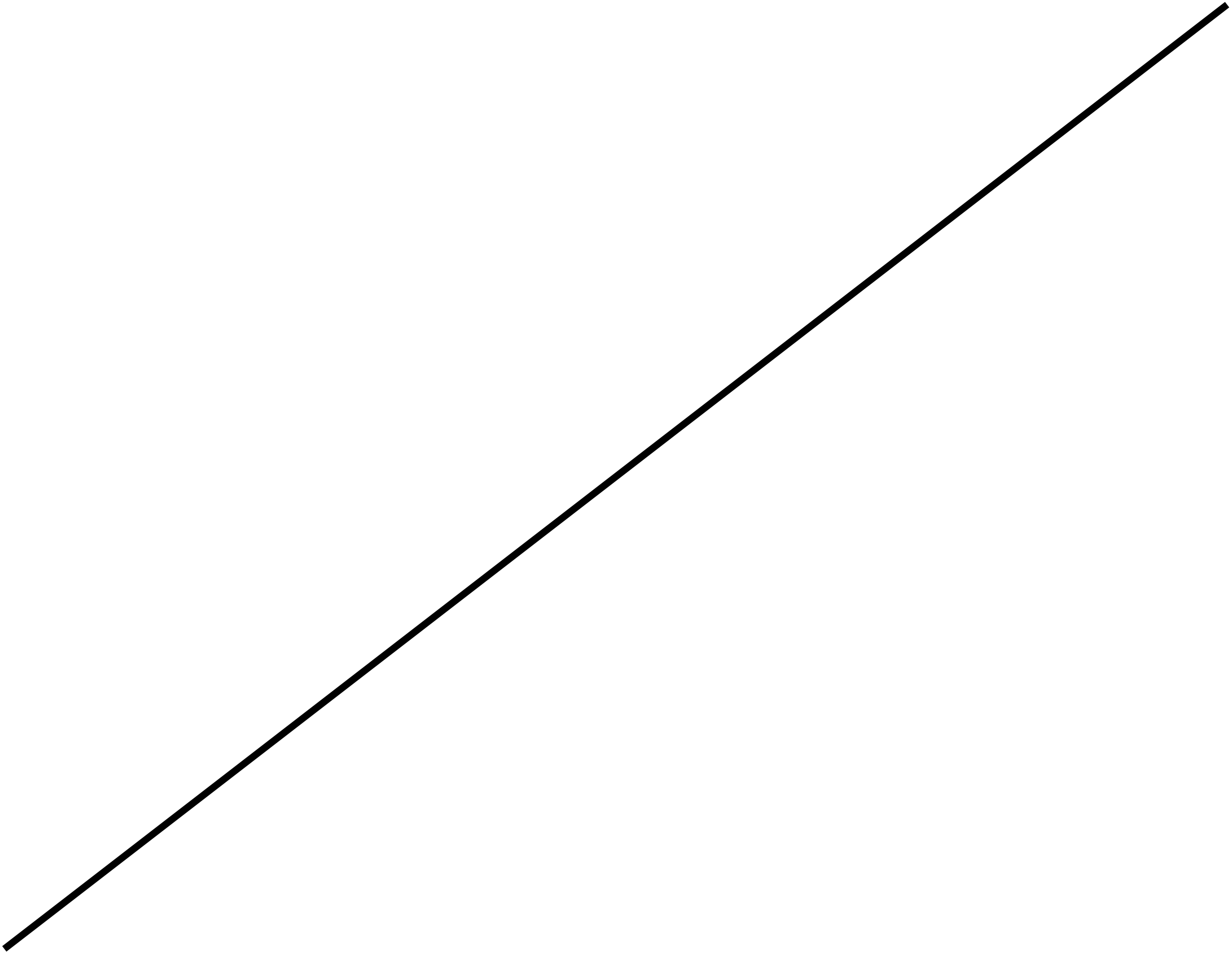
This area represents the cost of
producing 10 units

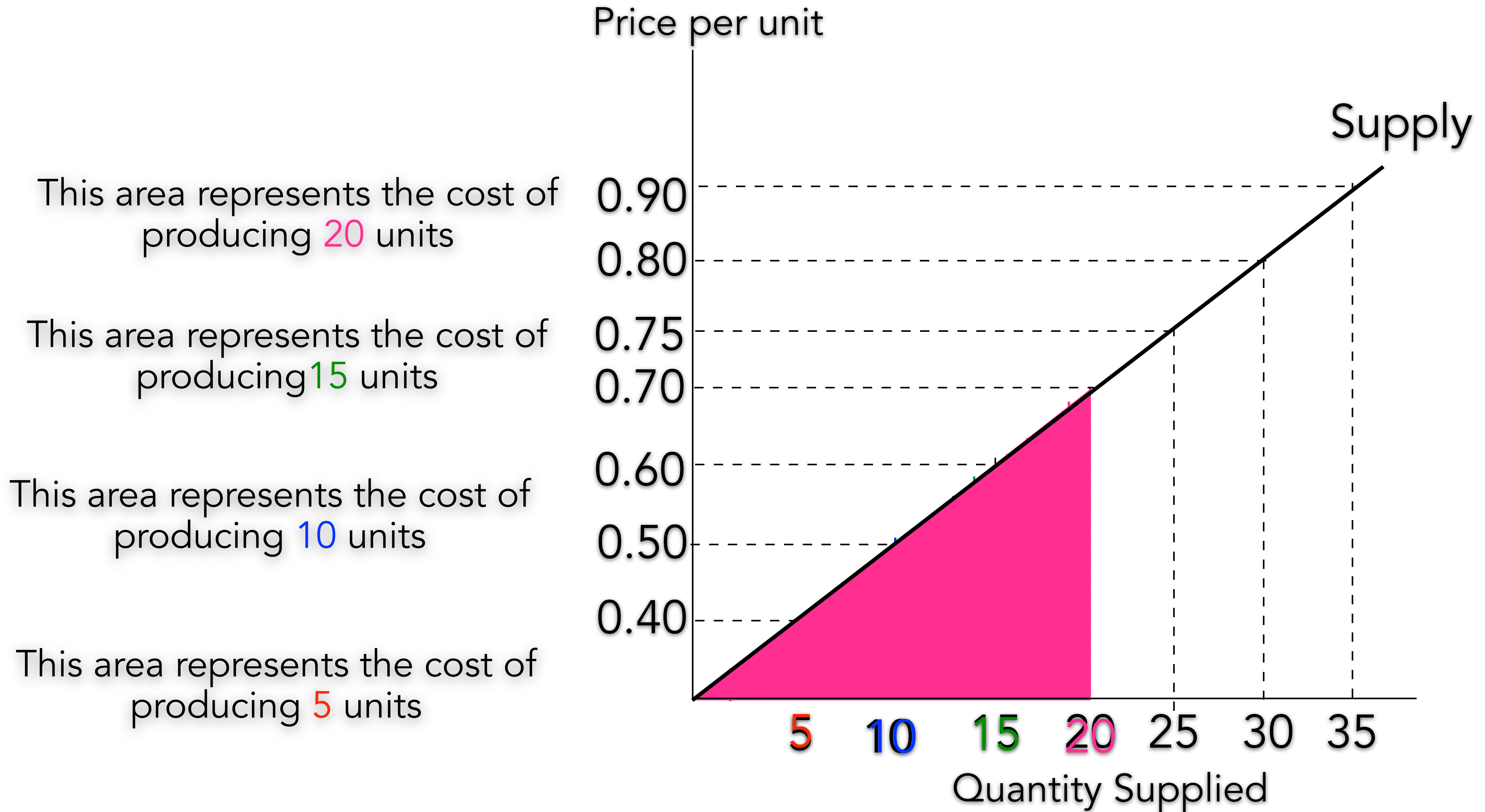


This area represents the cost of
producing 15 units



This area represents the cost of
producing 20 units





Price per unit

