

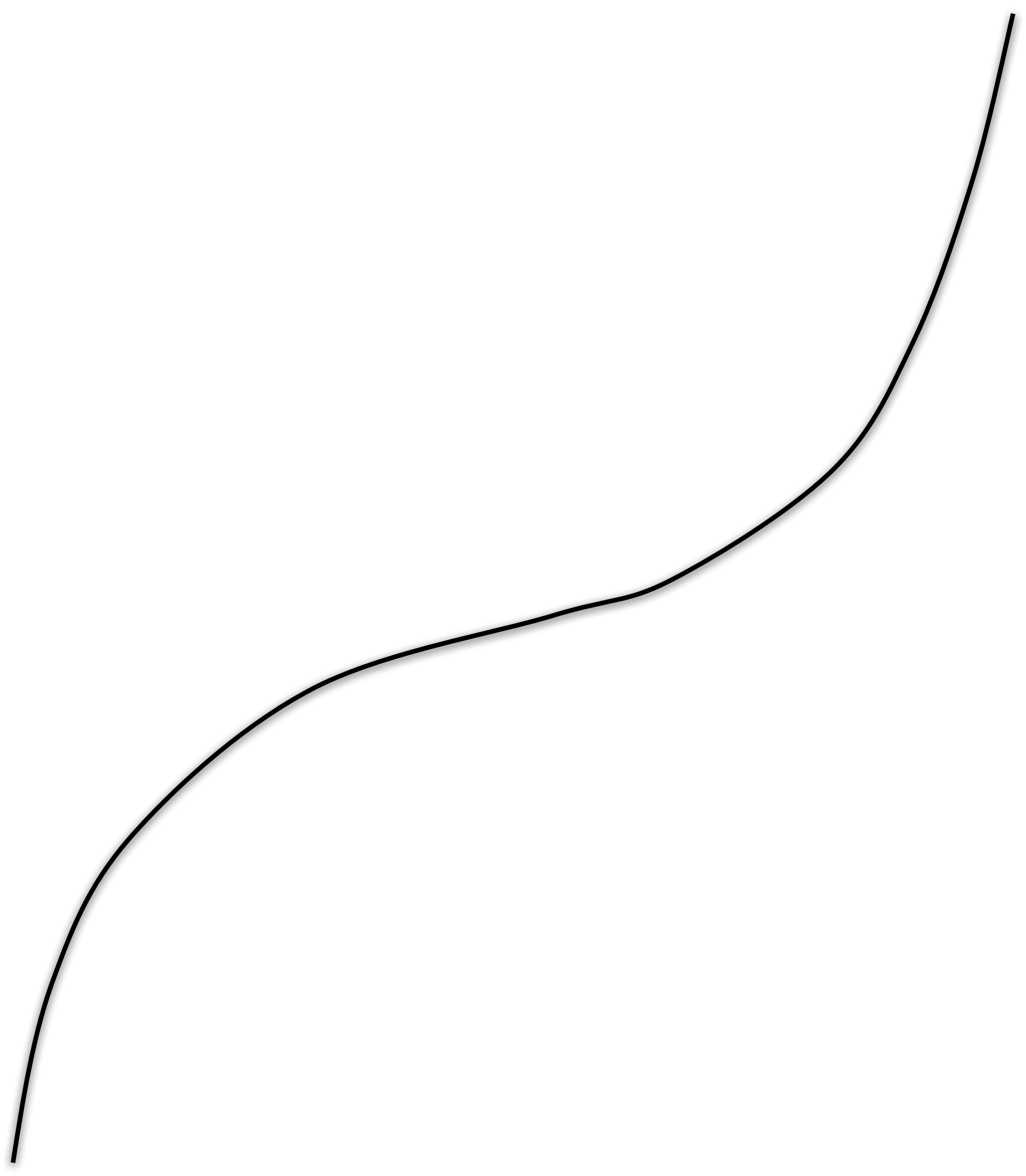


$$\text{Total Cost} = \text{VC} + \text{FC}$$

Output



VC



T C

FC

=

TC

-

VVC



F





a













C



S



S



Y



U

m

U

S







a

d





C

a



C

U



a



e

6

d













n



C

S



S







m

















9



a

p

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

$$\text{FC} = 400 - 150 = 250$$

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

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

$$AVC = \$1.5$$

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

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

$$ATC = \$4$$

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

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

AFC = \$2.5

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

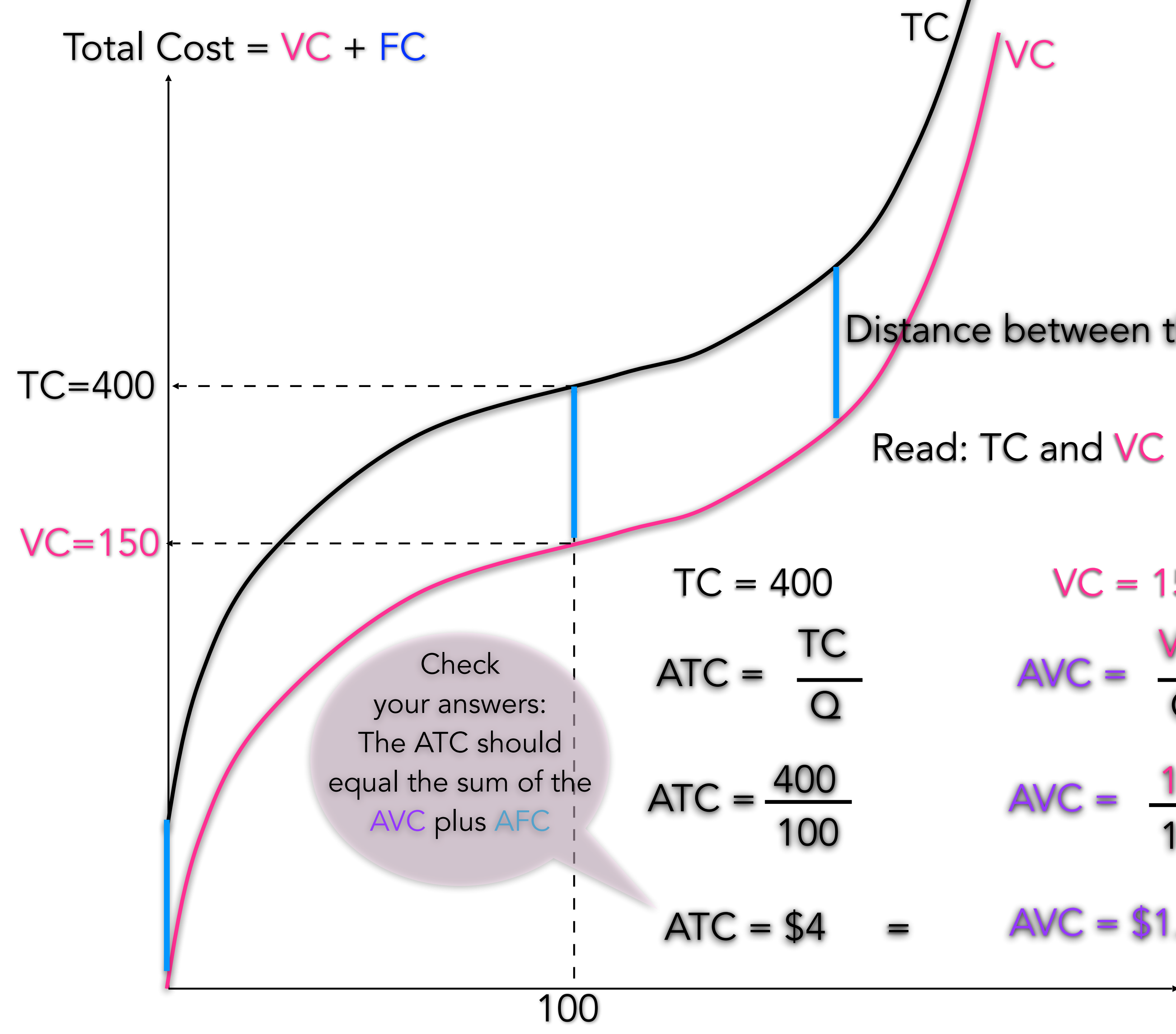
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For all exercises, you must read
or calculate 6 different costs
from this TC, VC graph

Total Cost = $VC + FC$

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



Calculate: FC , ATC , AVC , AFC

$$FC = TC - VC$$

$$FC = 400 - 150 = 250$$

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

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

$$VC = 150$$

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

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

$$TC = 400$$

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

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

$$ATC = \$4 = AVC = \$1.5 + AFC = \$2.5$$

