



Fixed Costs do not change with output







FC = 140,000



Q=500

$Q = 100,000$

\$140,000

FC = 140,000



FC = 140,000

Q = 0





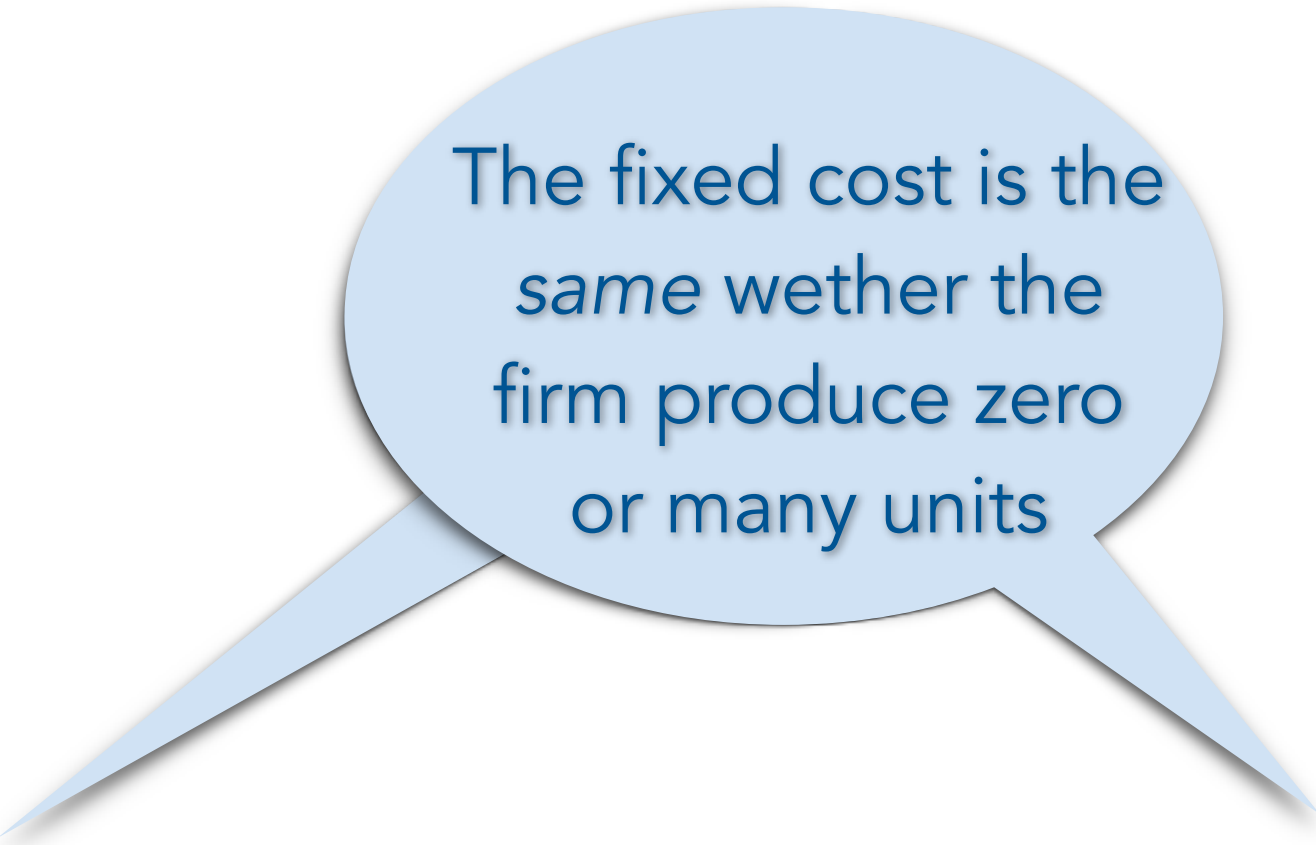








FE



The fixed cost is the
same wether the
firm produce zero
or many units



Fixed Costs

Managers Salaries

Interest Payments


Taxes

Rent

Insurance

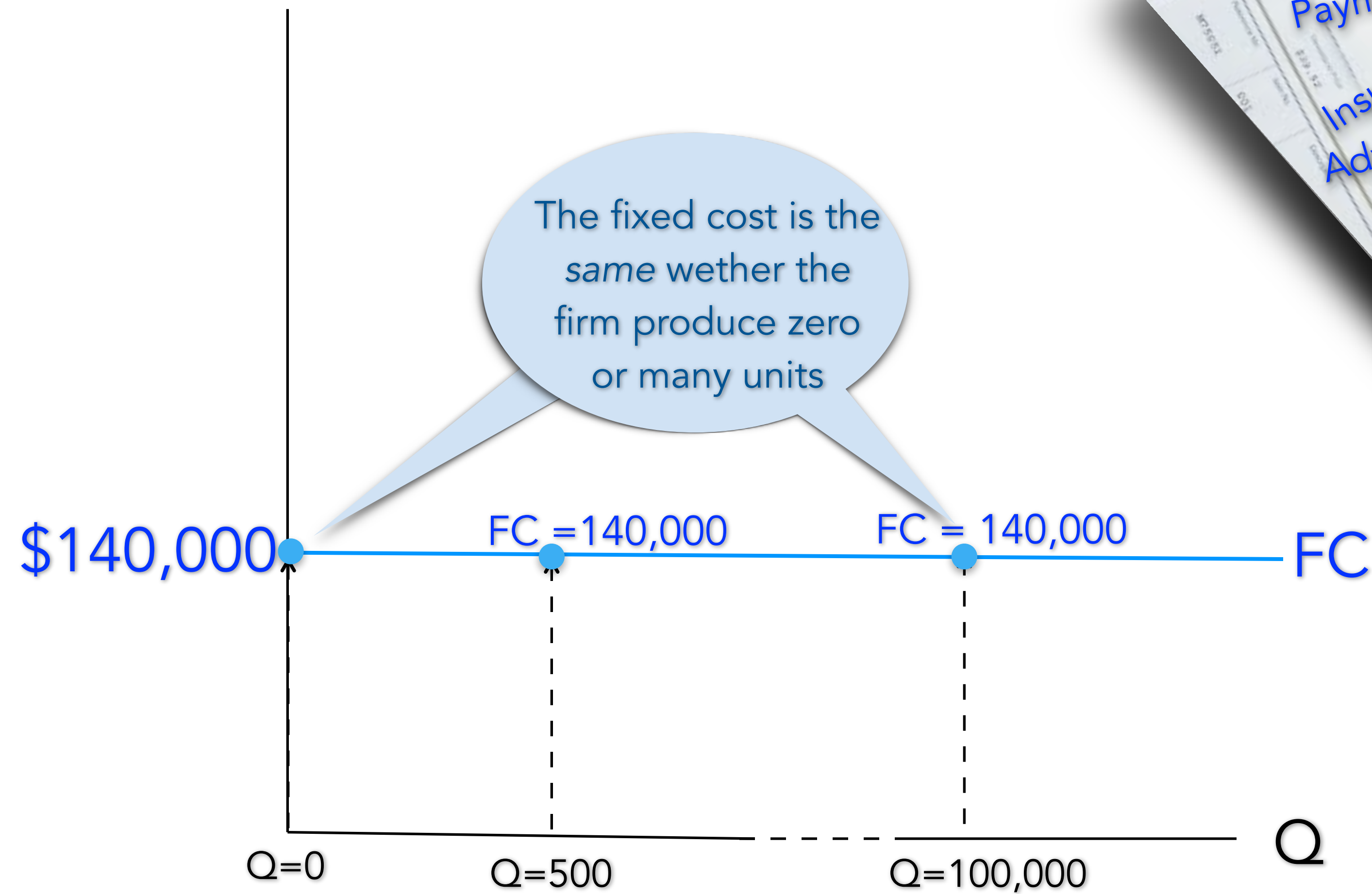
Advertising

\$140,000



Assume that all
these costs add
up to \$140,000

Fixed Costs do not change with output



Assume that all these costs add up to \$140,000

