





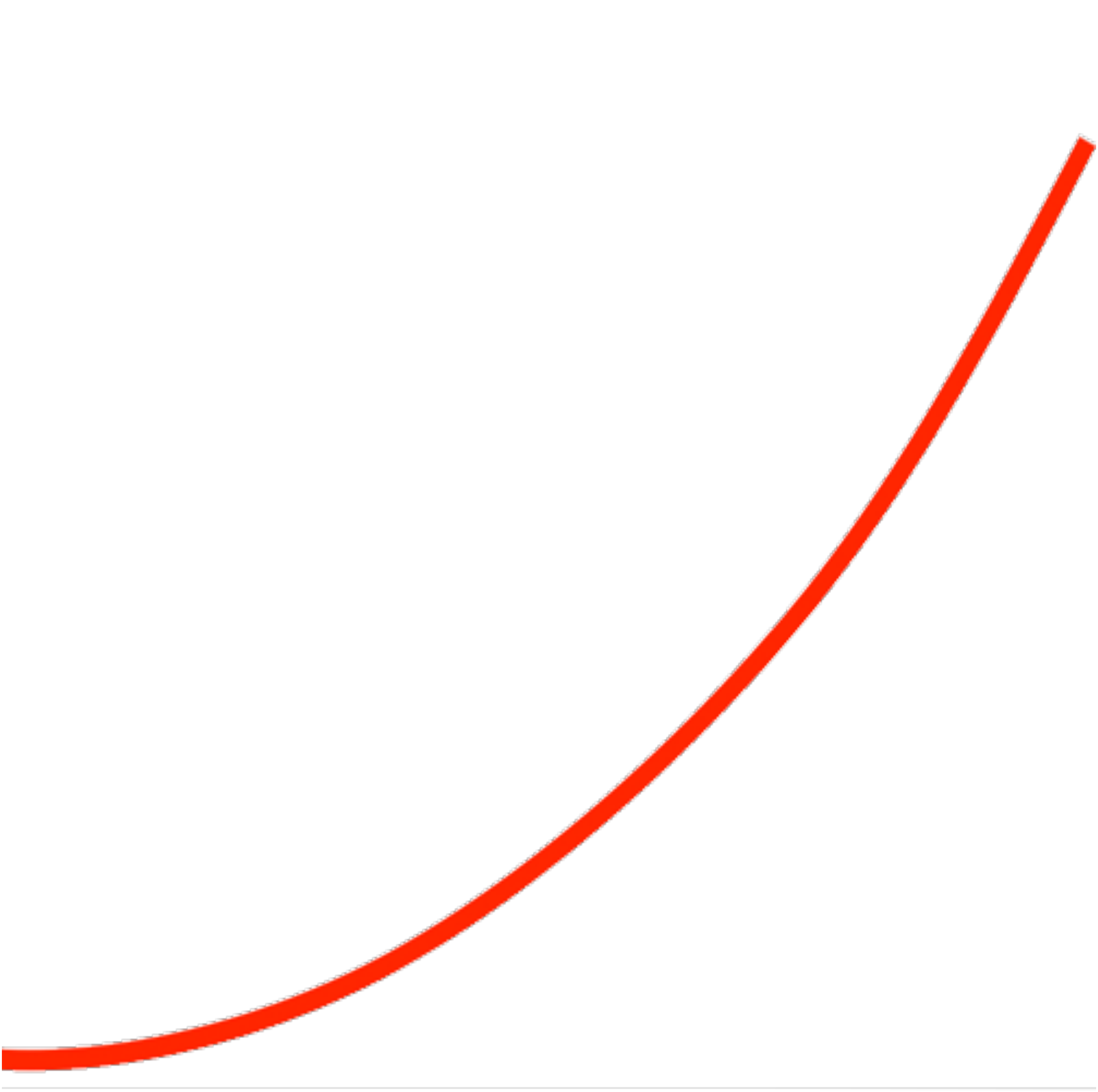






100%











Cost per unit

5

10

15

20

25

Pounds of Coffee Produced



0.40





0.50





0.66













2





Quantity Supplied =



5

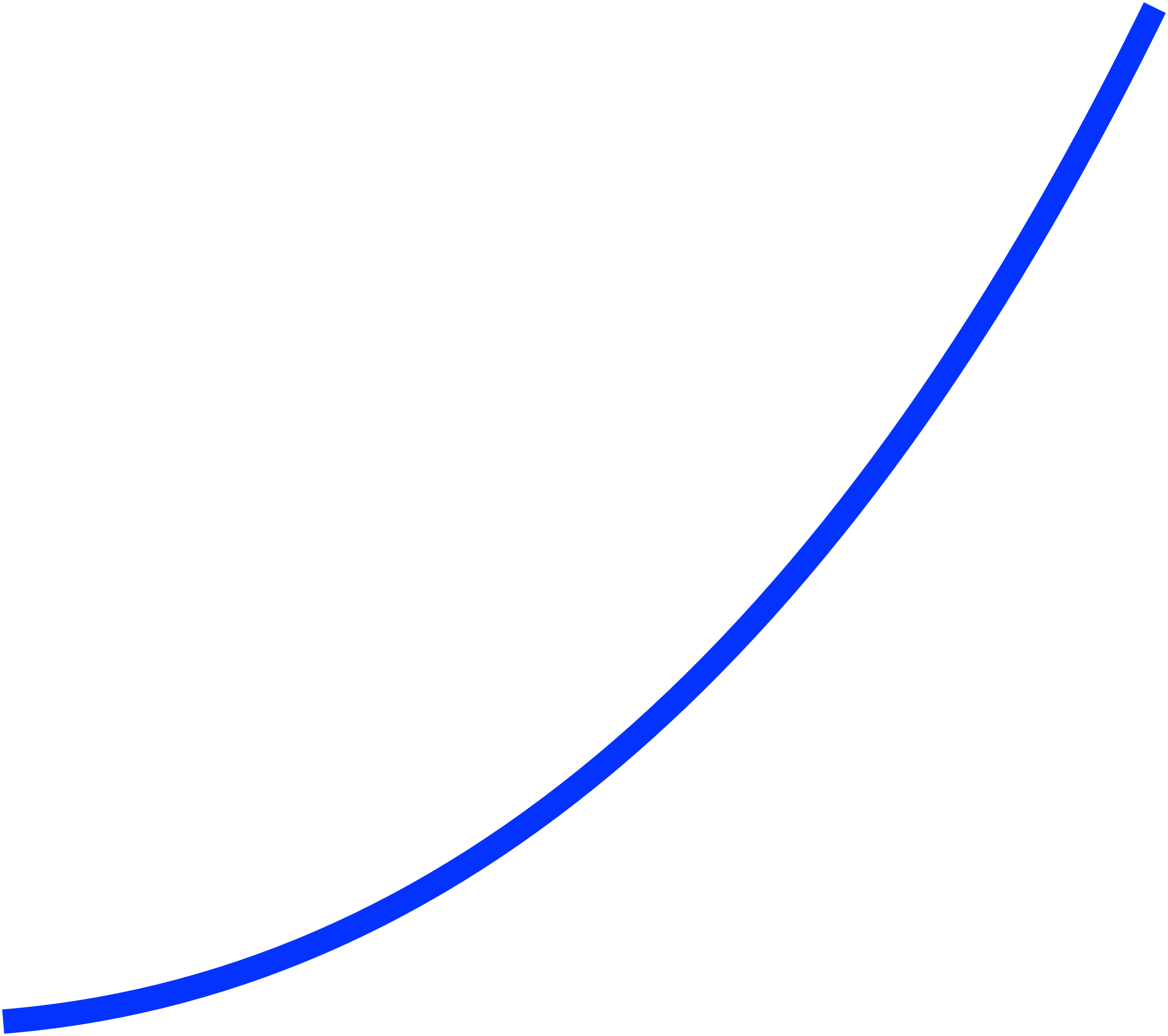
10

15

20

25





Supply



Price per unit









Quantity Supplied =

P = 0.40

P = 0.50



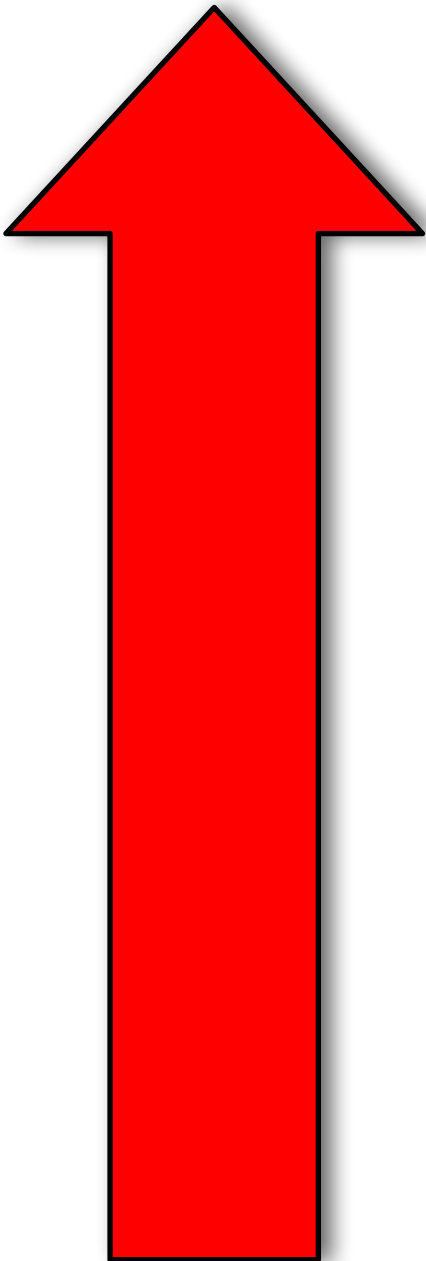
P = 0.66

P

=

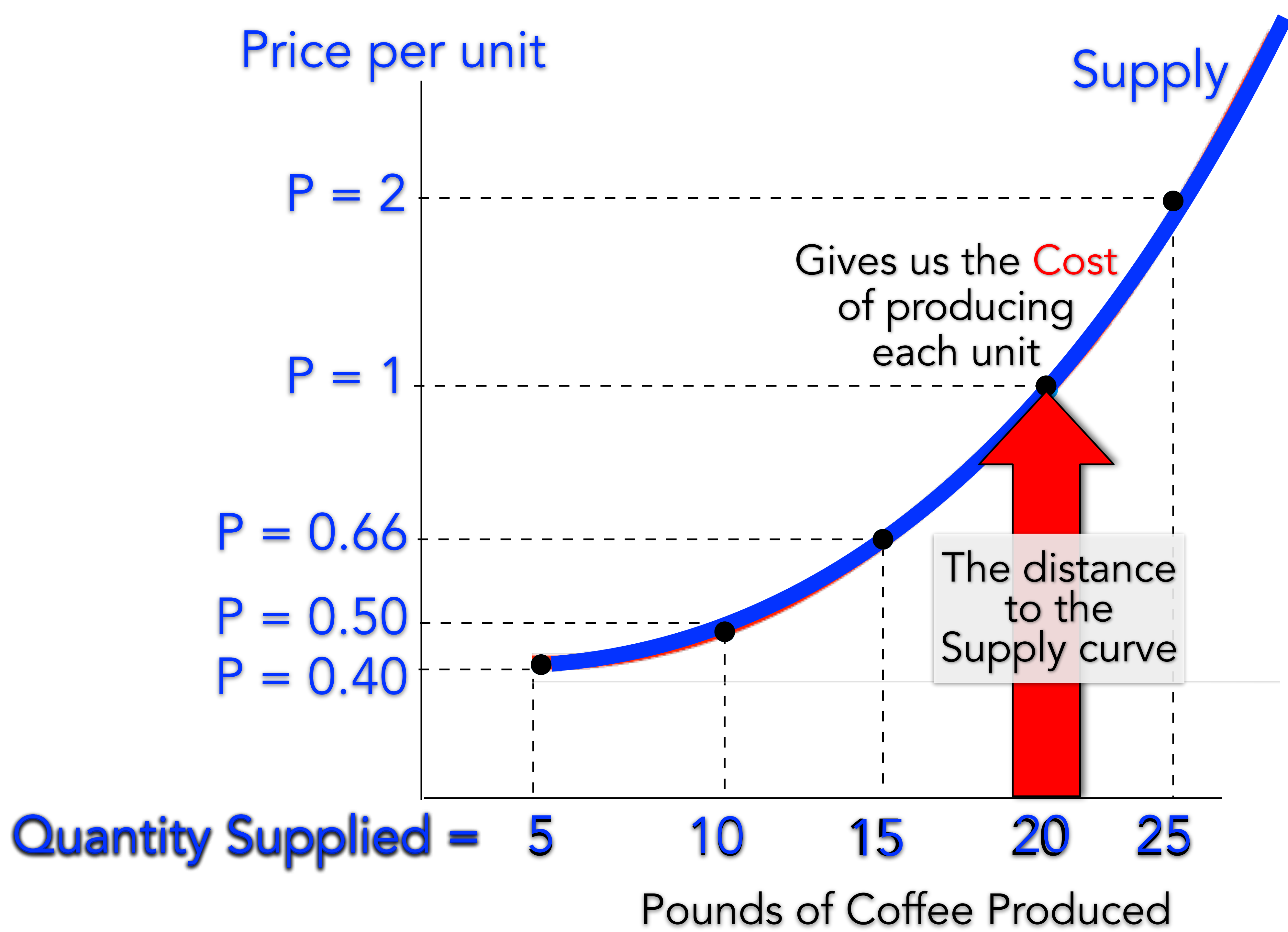
1

P = 2



The distance  
to the  
Supply curve

Gives us the **Cost**  
of producing  
each unit



How many many units **should** be produced?

