







Output





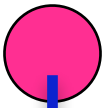




Cost per unit drops as
the Marginal Product
Increase

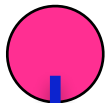


\$2 = Marginal Cost unit 1



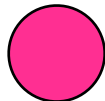
$\$0.66 = MC_3$

3



\$1 = MC unit 2

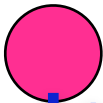
2



$\$0.50 = MC_4$



4



$\$0.40 = MC_5$



5

Marginal Cost: Cost of the
last unit produced

Variable Costs increase with decreasing slope

2

■

■

■

■

3



4.16 - - - - -

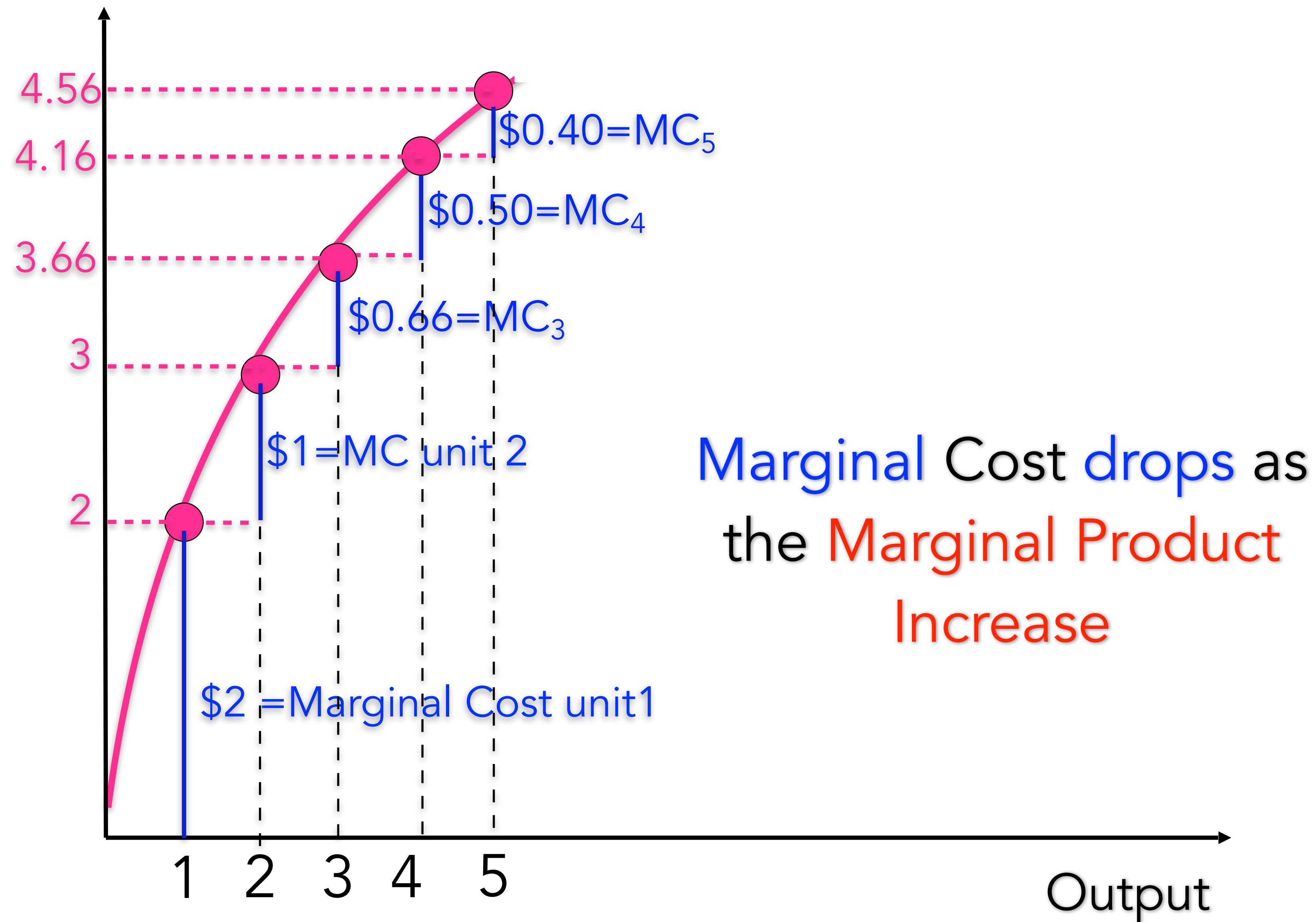
3.66 - - - - -

4.56.....

Marginal Cost drops as
the Marginal Product
Increase

Marginal Cost

Variable Costs increase with decreasing Marginal Cost



Variable Cost

