



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**







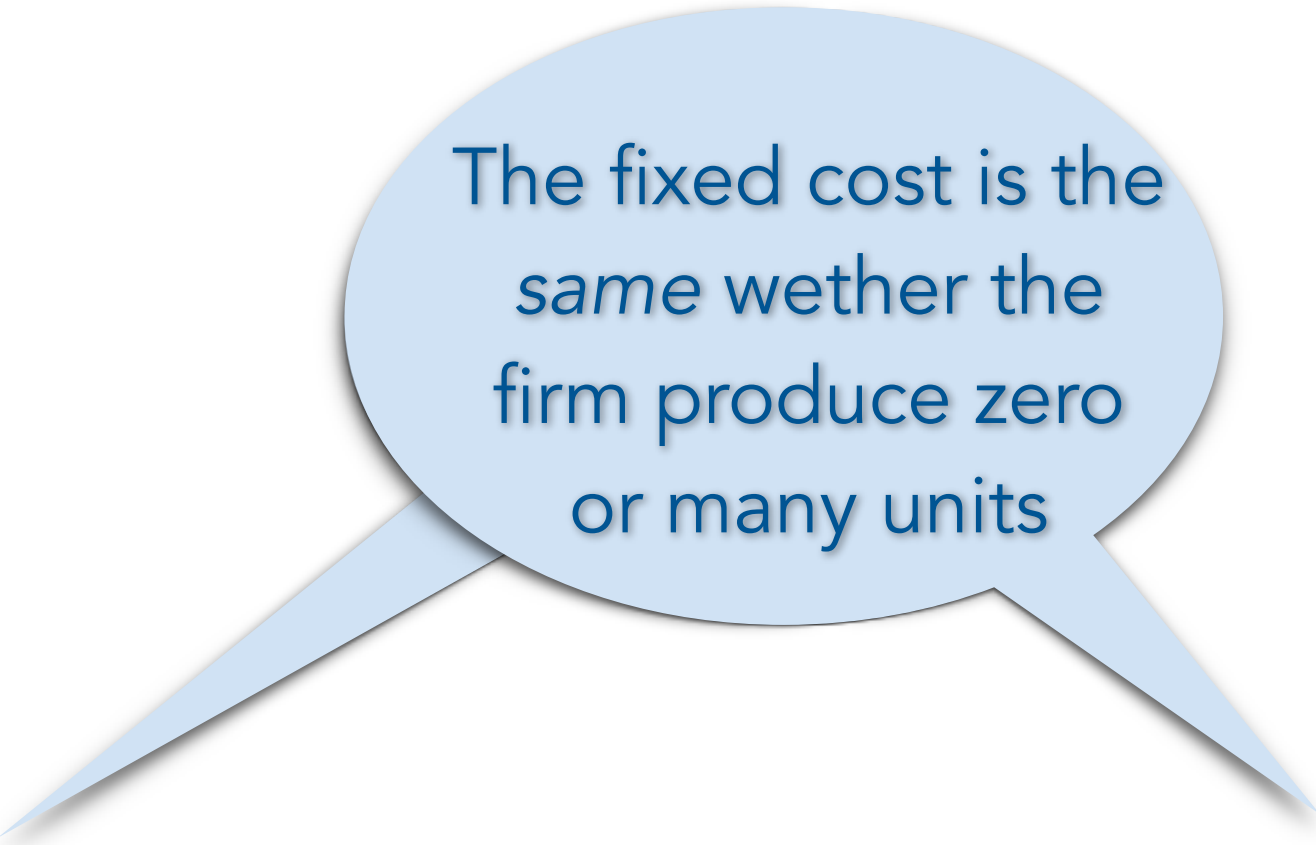








FE



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

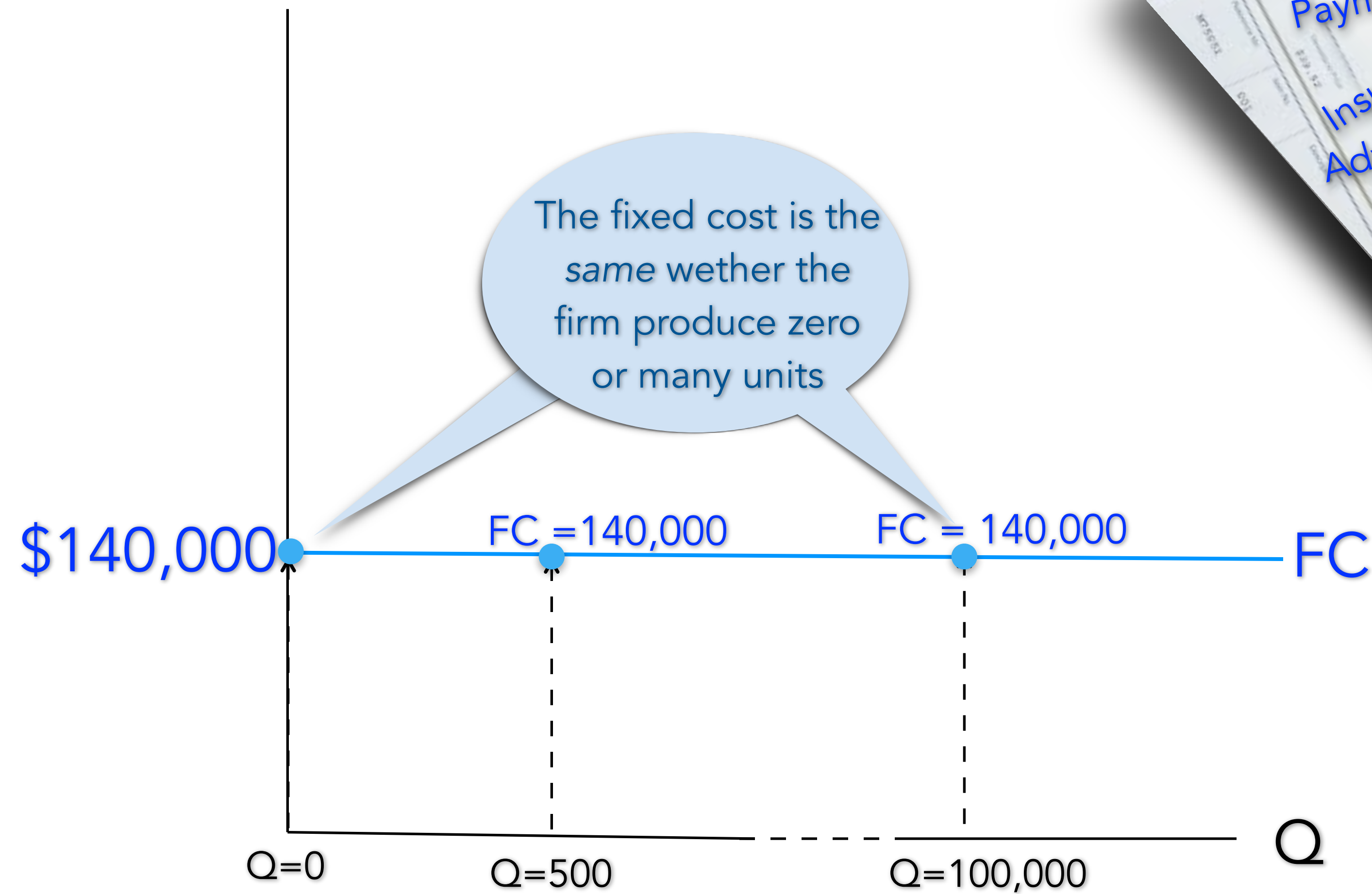




\$140,000

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

