



Market Structures

Cost Curves

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Cost Curve Collection

Slides 3 - 18 could be considered a set with two separate tasks.

Slide 3: Cost Curve Schedule

Slides 4 - 10: Total & Fixed Cost Curves

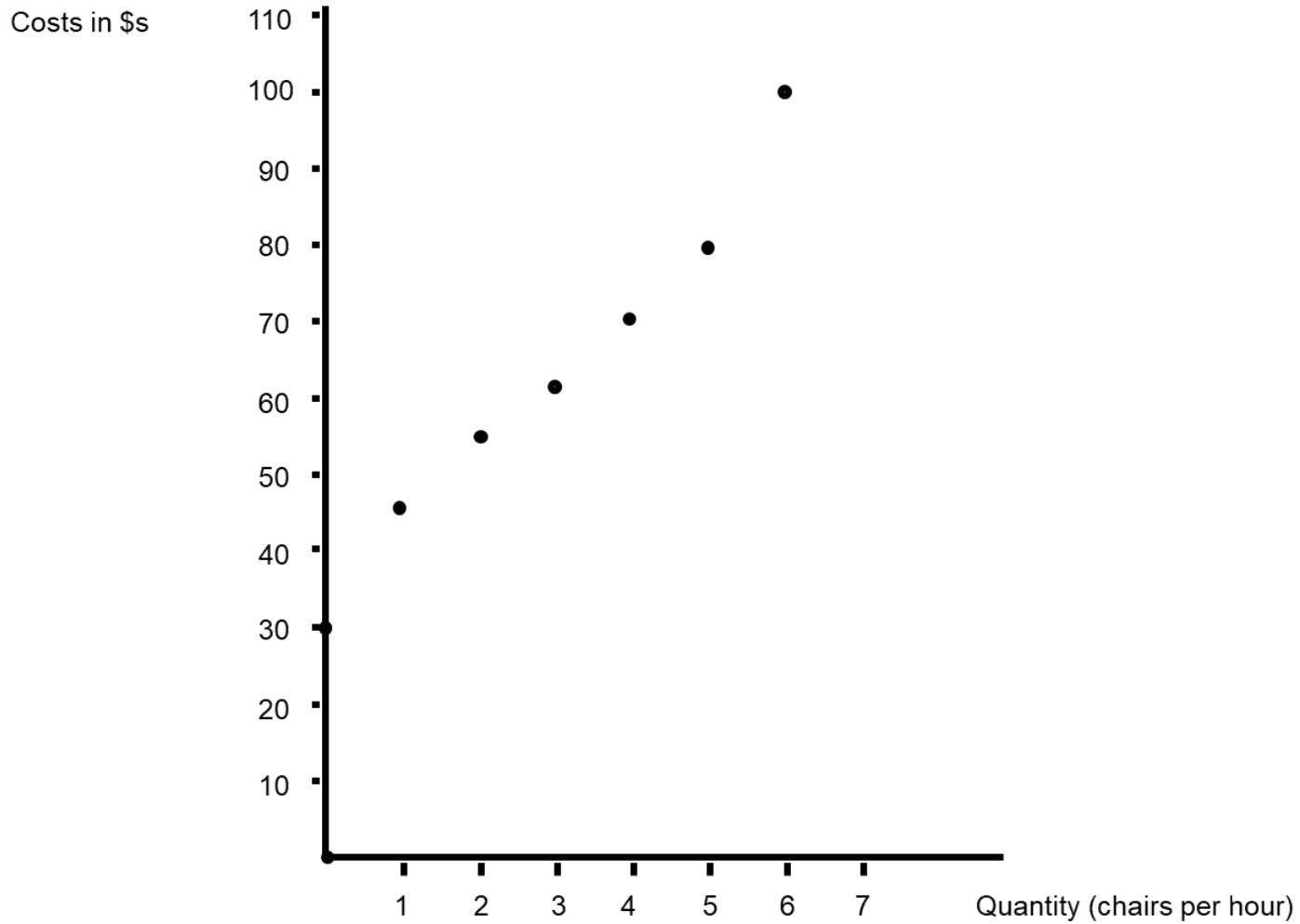
Slides 11 - 18: Marginal & Average Cost Curves

The slide 3 table could be printed so that students would have it handy while viewing the graphs. For best results, print the table in "landscape" orientation.

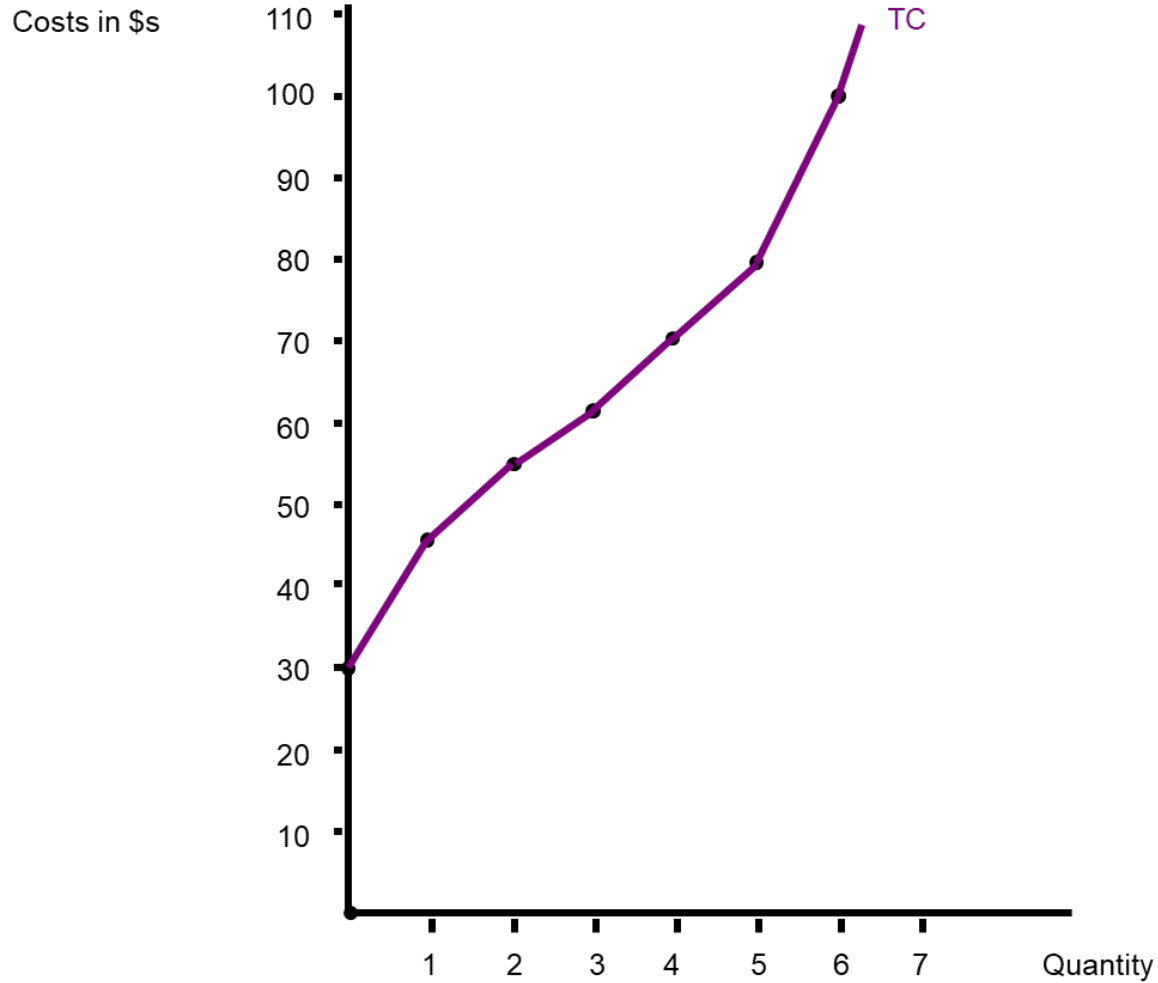
General Cost Curve Schedule

Quantity	Total Cost (TC)	Fixed Cost (FC)	Variable Cost (VC)	Marginal Cost (MC)	Average Fixed Cost (AFC)	Average Variable Cost (AVC)	Average Total Cost (ATC)
0	30	30	0	--	--	--	--
1	45	30	15	15.00	30.00	15.00	45.00
2	55	30	25	10.00	15.00	14.50	27.50
3	63	30	33	8.00	10.00	11.00	21.00
4	70	30	40	7.00	7.50	10.00	17.50
5	80	30	50	10.00	6.00	10.00	16.00
6	100	30	70	20.00	5.00	11.67	16.67
7	130	30	100	30.00	4.28	14.28	18.57

Step 1: Plot Total Cost

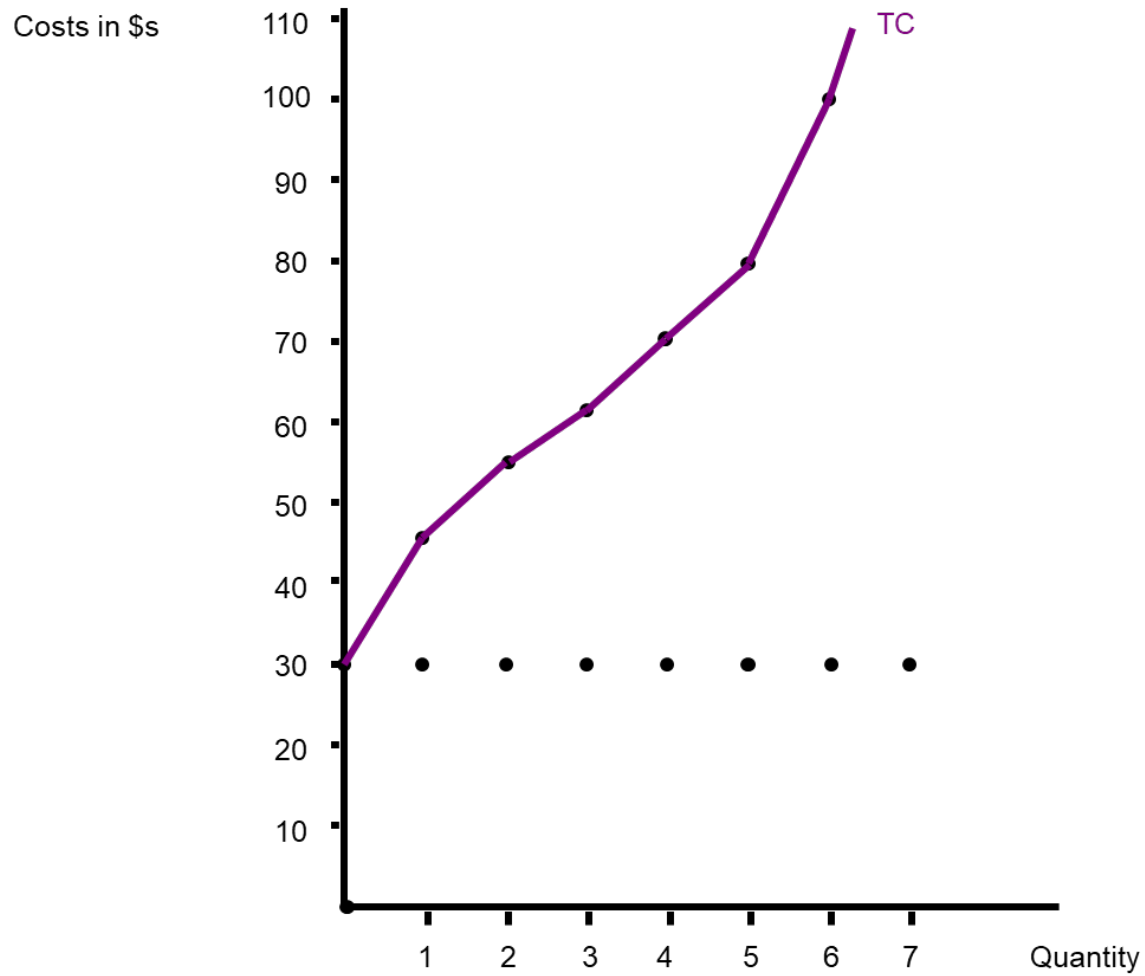


Total Cost



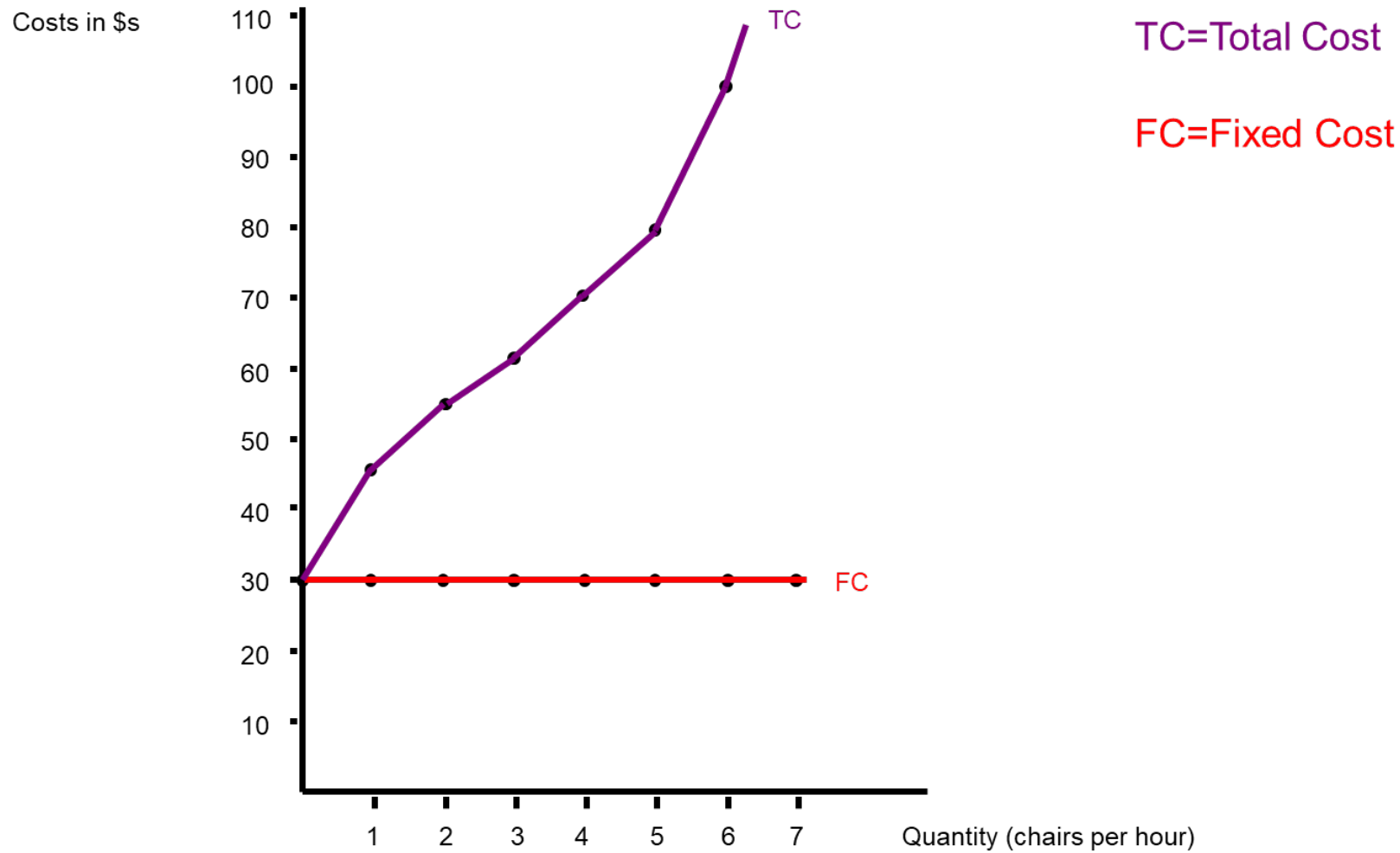
TC=Total Cost

Step 2: Plot Fixed Cost

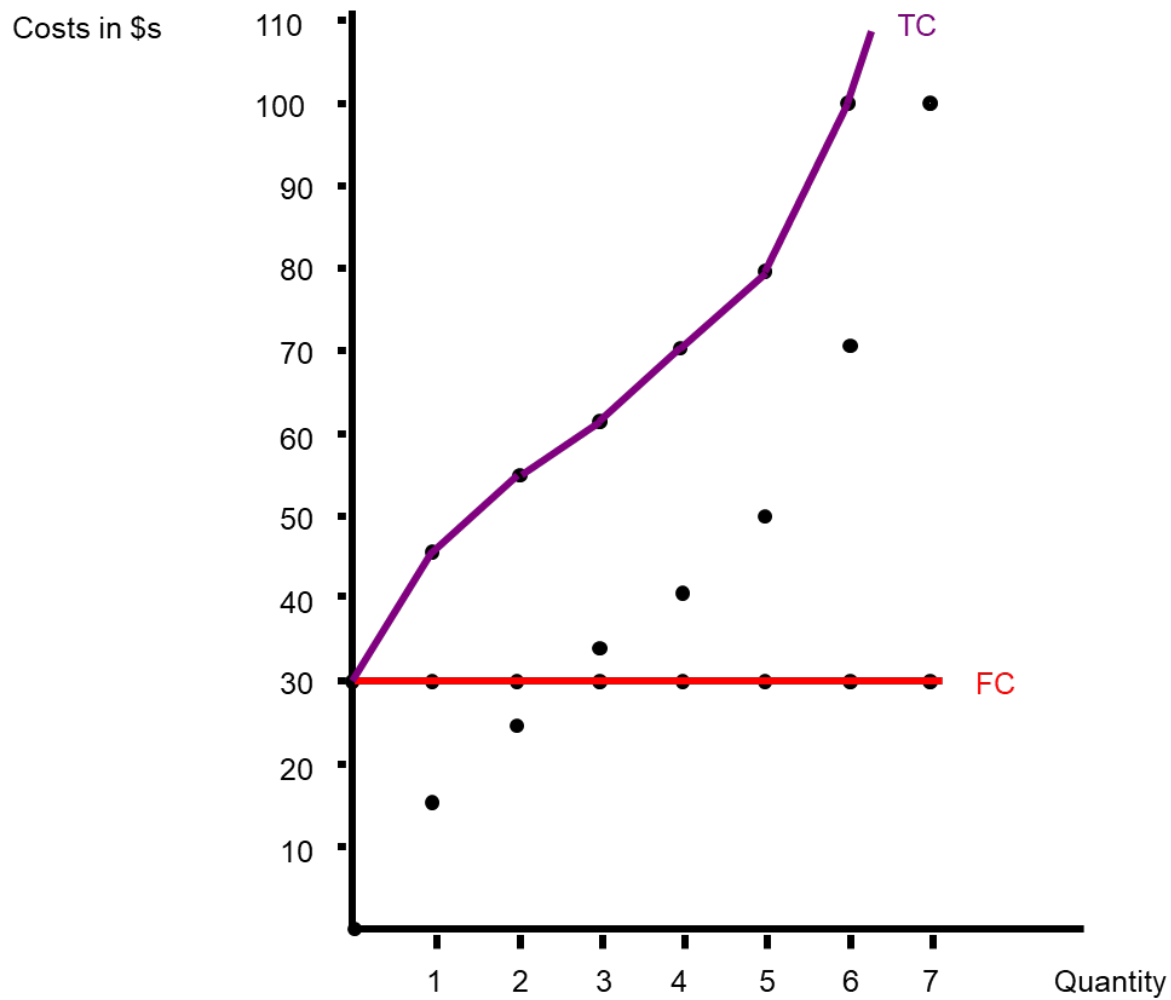


TC=Total Cost

Fixed Cost



Step 3 Plot Variable Cost

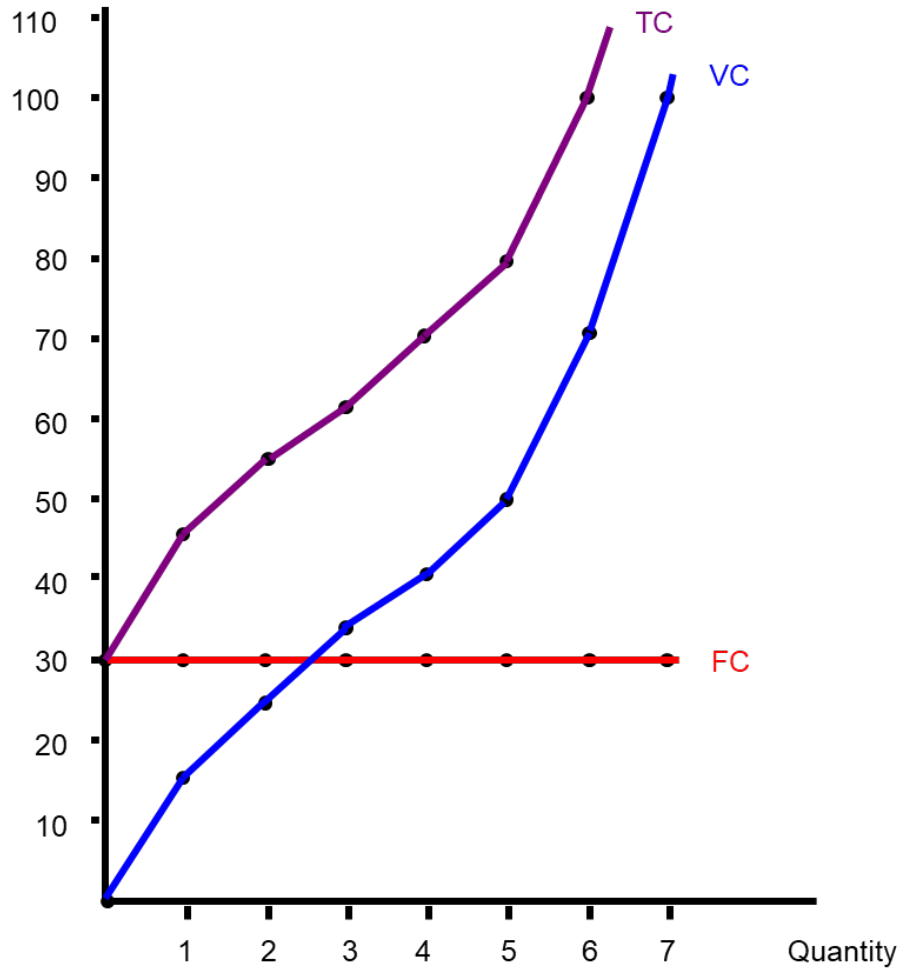


TC=Total Cost

FC=Fixed Cost

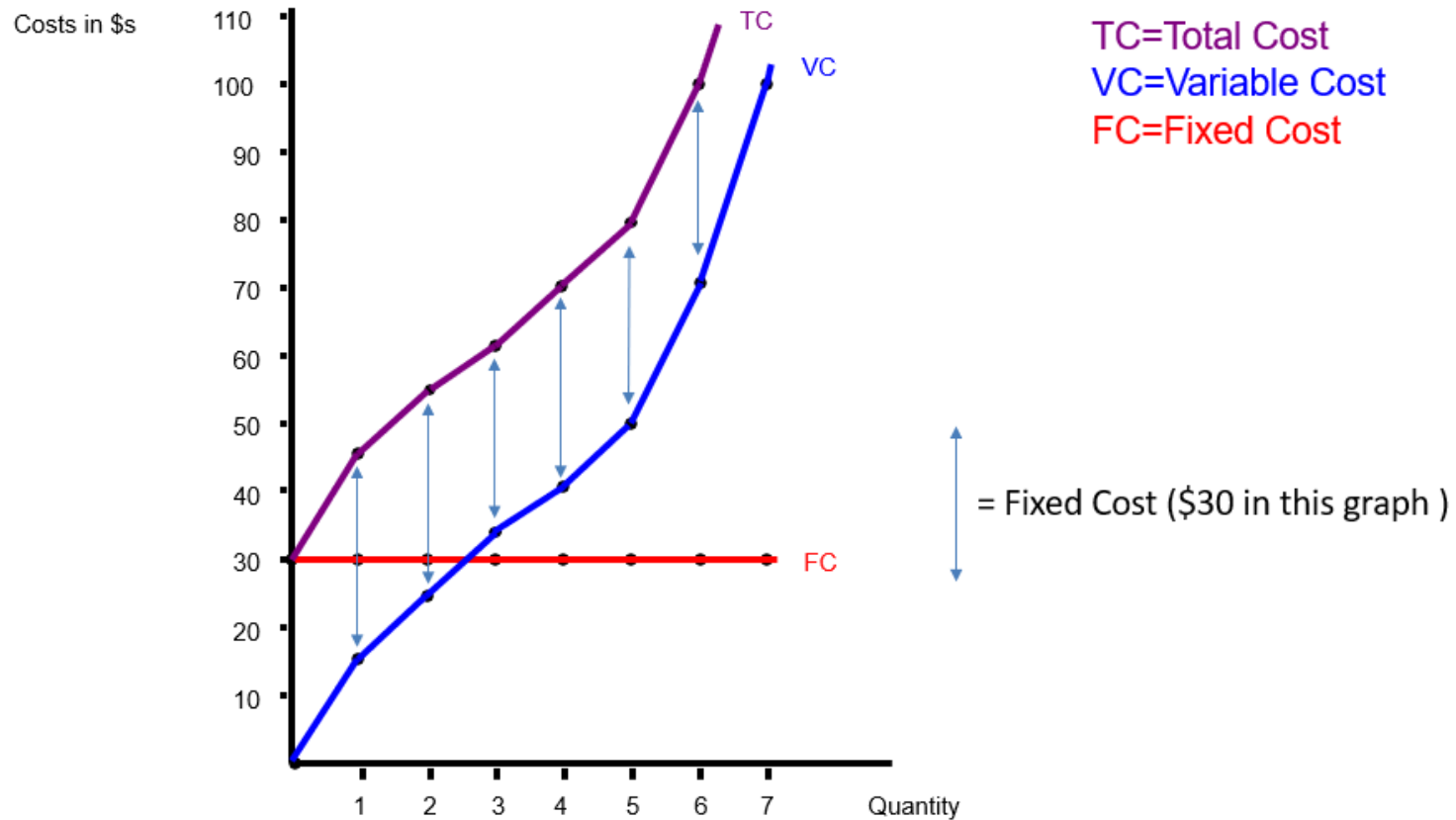
Variable Cost

Costs in \$s

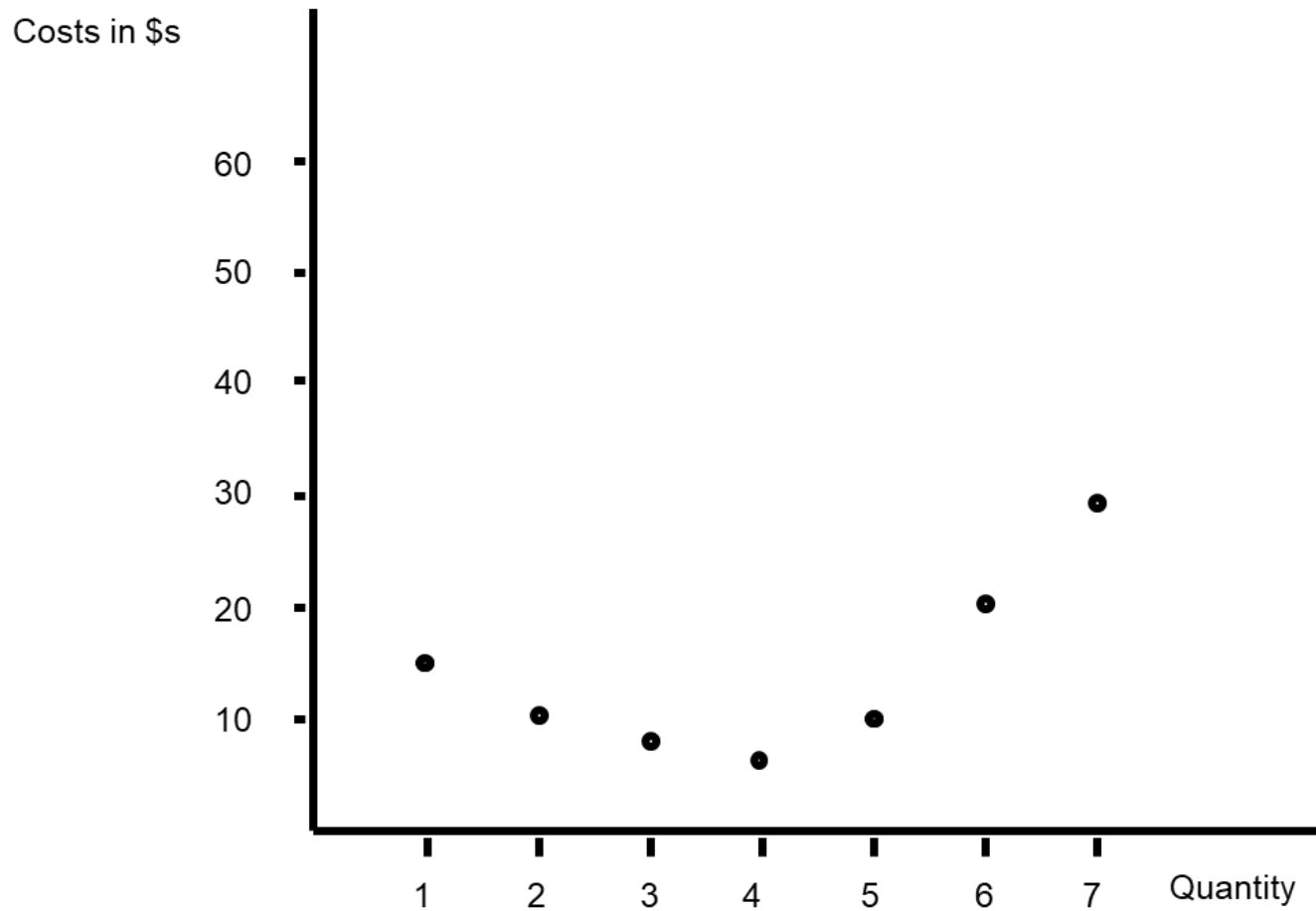


TC=Total Cost
VC=Variable Cost
FC=Fixed Cost

NOTE: The distance between Variable Cost & Total Cost Curves is ALWAYS the Fixed Cost

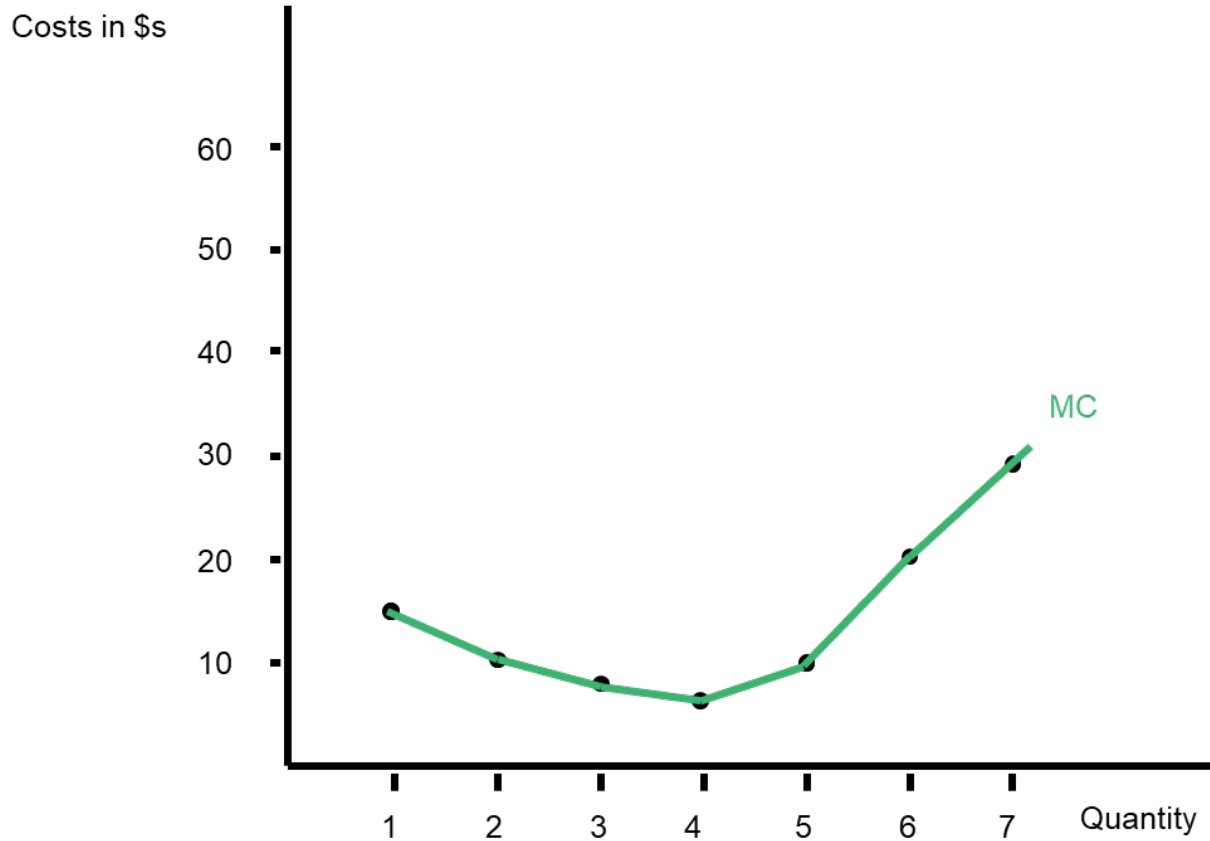


Step 1: Plot Marginal Cost

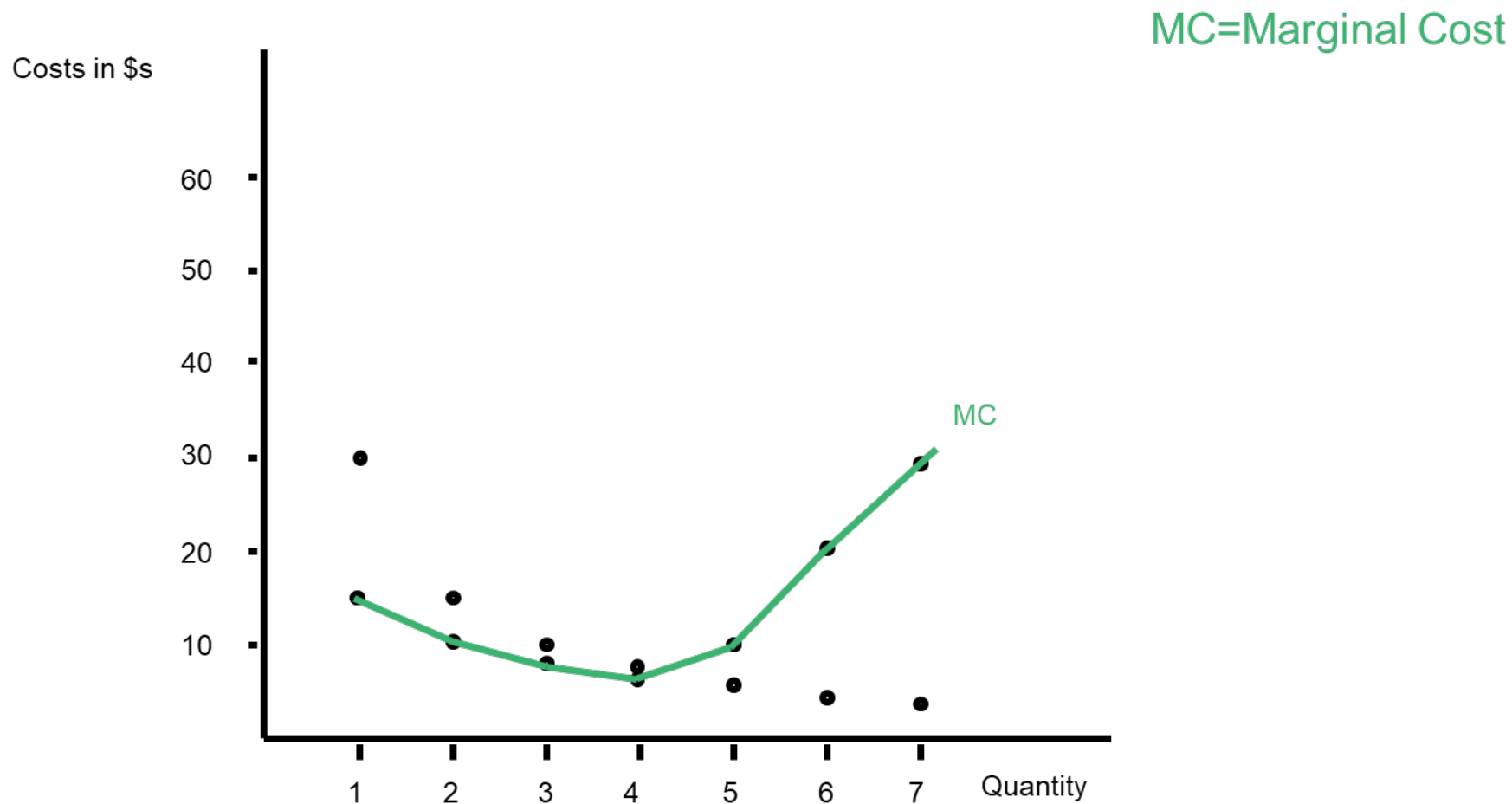


Marginal Cost

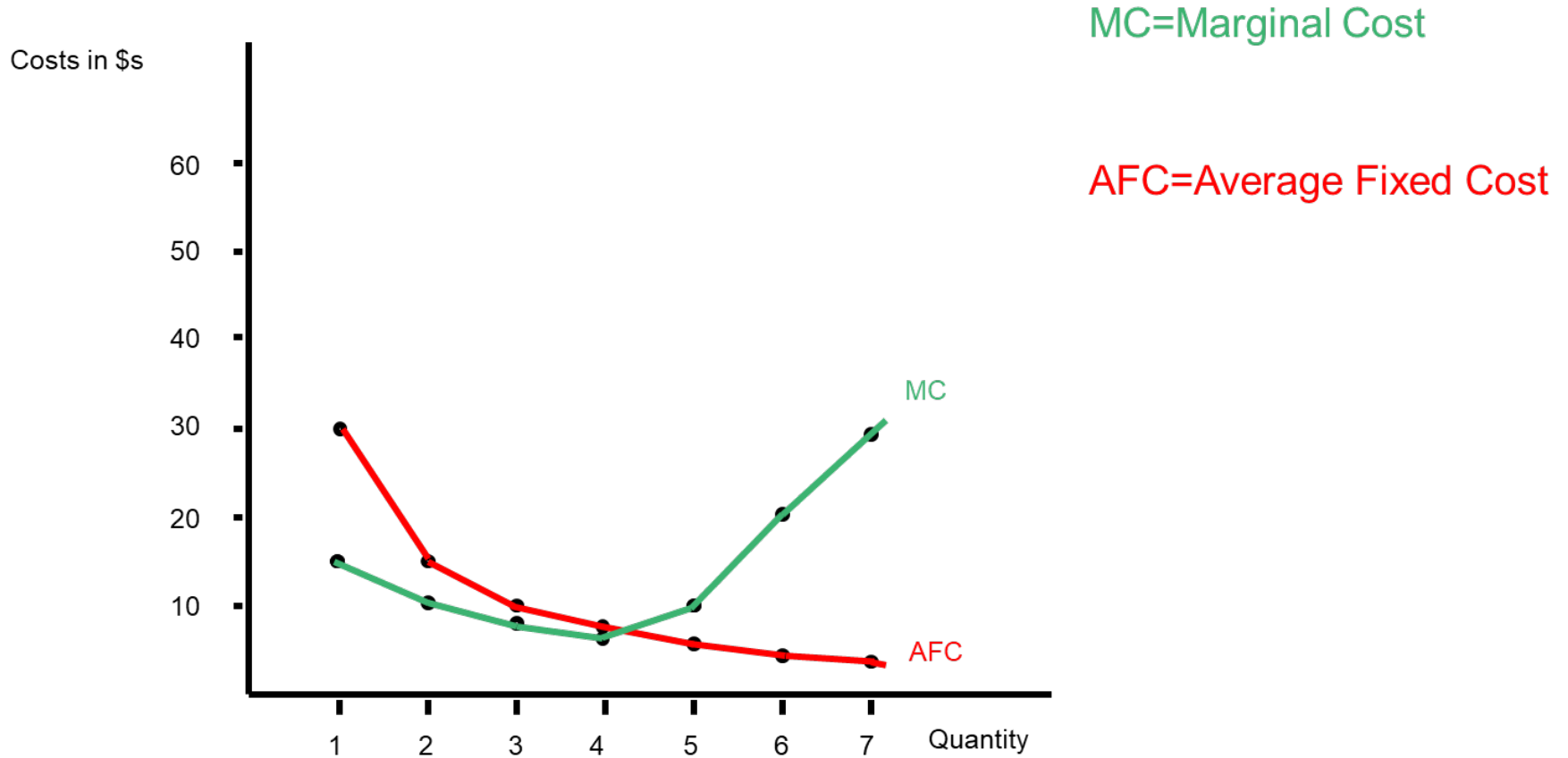
MC=Marginal Cost



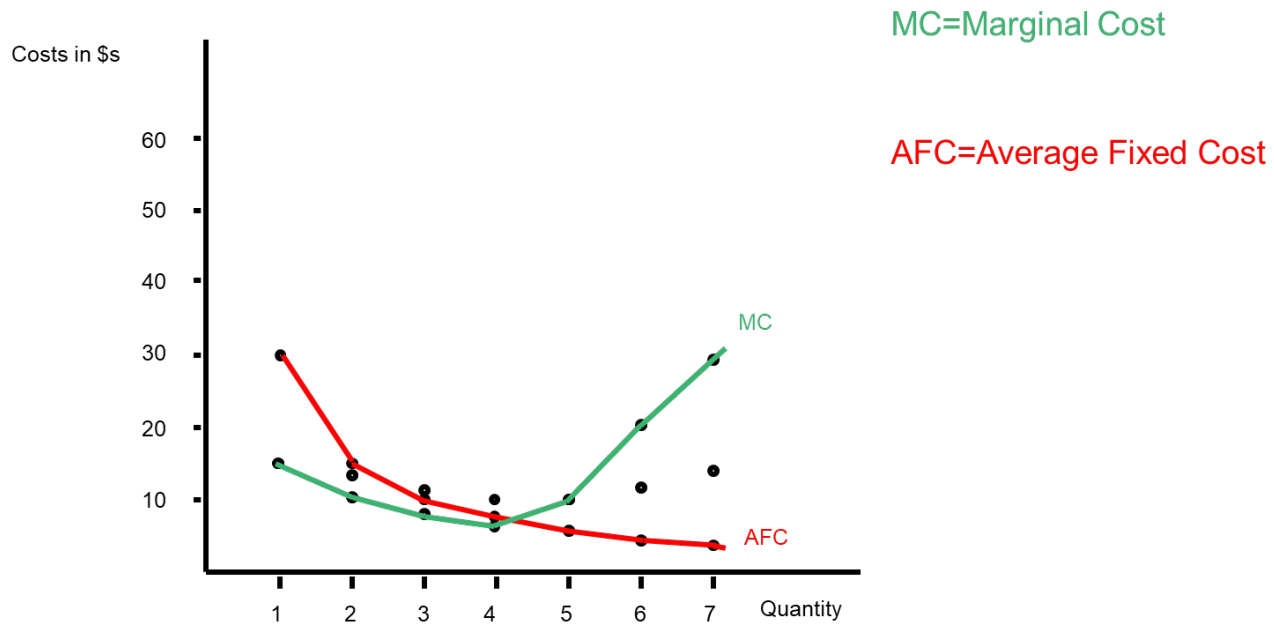
Step 2: Plot Average Fixed Cost



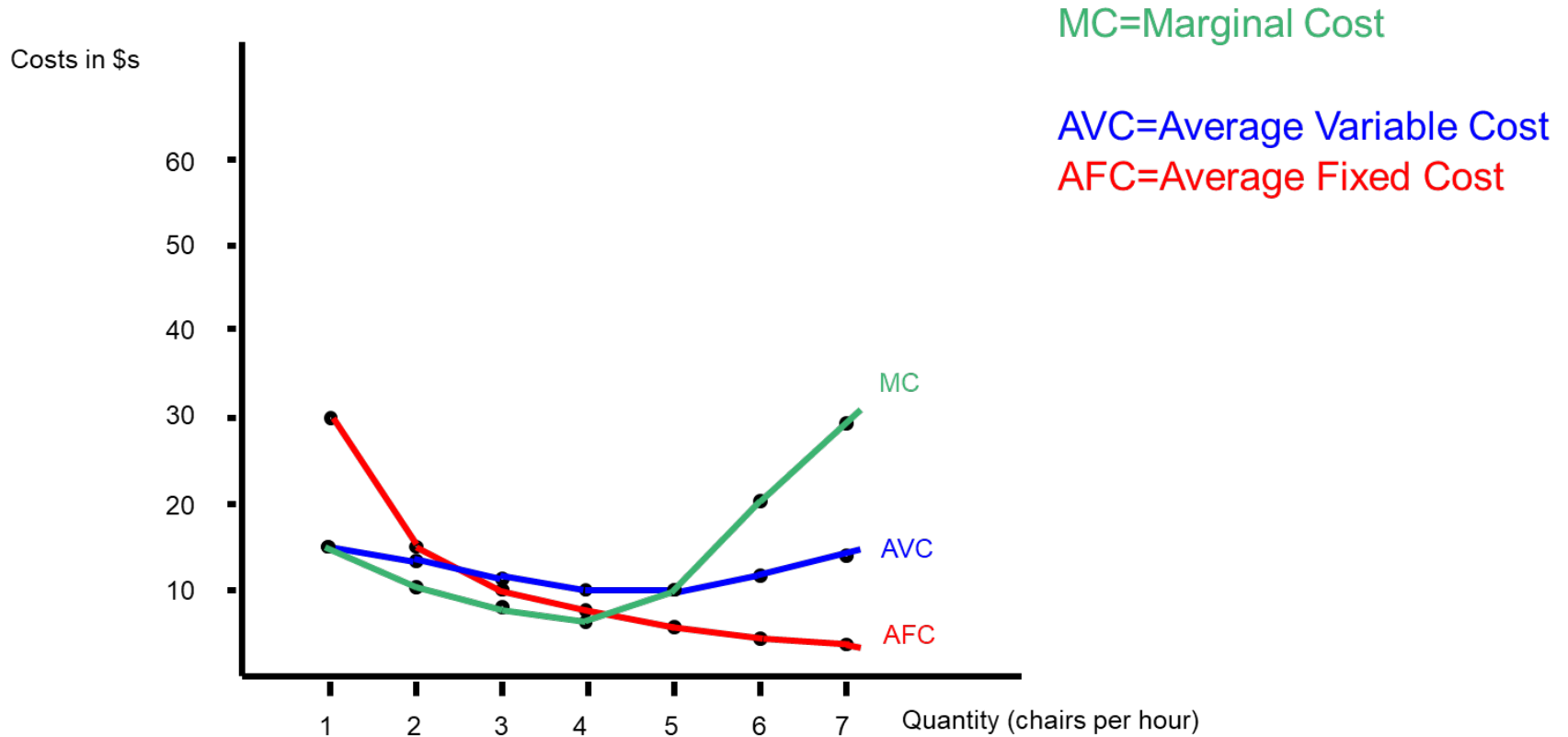
Average Fixed Cost



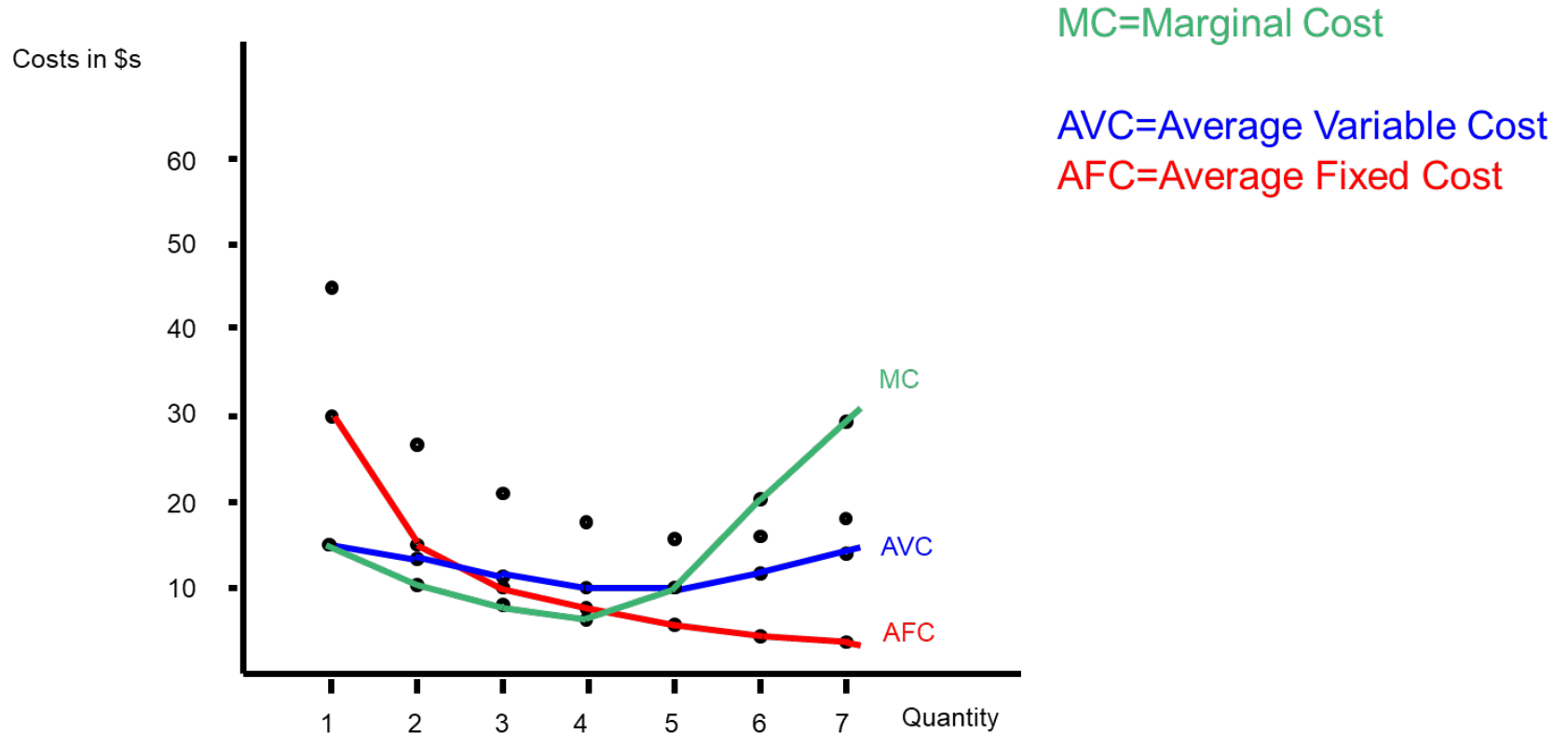
Step 3: Plot Average Variable Cost



Average Variable Cost



Step 4: Plot Average Total Cost



Average Total Cost

