

Answer on Question #45438, Economics, Economics of Enterprise

a) Fixed cost is the total cost, when 0 units of output are produced, so $FC = 8$.

b) $AVC = VC/Q = (C - FC)/Q$, $AC = C/Q$, $MC = \Delta C/\Delta Q$

Q	C	AVC	AC	MC
0	8	-	-	-
1	16	8	16	8
2	18	5	9	2
3	28	6.667	9.3333	10
4	45	9.25	11.25	17
5	63	11	12.6	18
6	72	10.67	12	9

c) AVC of 2nd product equals \$5 (see the table).