

Name: _____

Consider the (partial) cost information for a firm printed below.

Output (Q)	Total Cost (TC)	Fixed Cost (FC)	Variable Cost (VC)	Average Variable Cost (AVC)	Average Fixed Cost (AFC)	Average Total Cost (ATC)	Marginal Cost (MC)
3	160						-
4		100	72				
5			85				
6	210						
7	240						
8					12.50	35.00	
9			230				
10						39.00	60.00

(a) Fill in the missing values in the table. (For marginal cost, put the marginal cost on the lower line rather than in between. For example, the marginal cost between Q=9 and Q=10 is 60 but is written on the Q=10 line.)

(b) Suppose the firm sells its output in a perfectly competitive market at a price of \$40 per unit. How much should it produce and what will its profits be?

(c) Suppose the price the firm receives is only \$15. Should it produce anything at all? Explain.

Pledge:

I pledge my honor that during this quiz I neither gave nor received assistance and that I saw no dishonest work.

Signed: _____

I have not signed the pledge intentionally. (Check only if appropriate.)