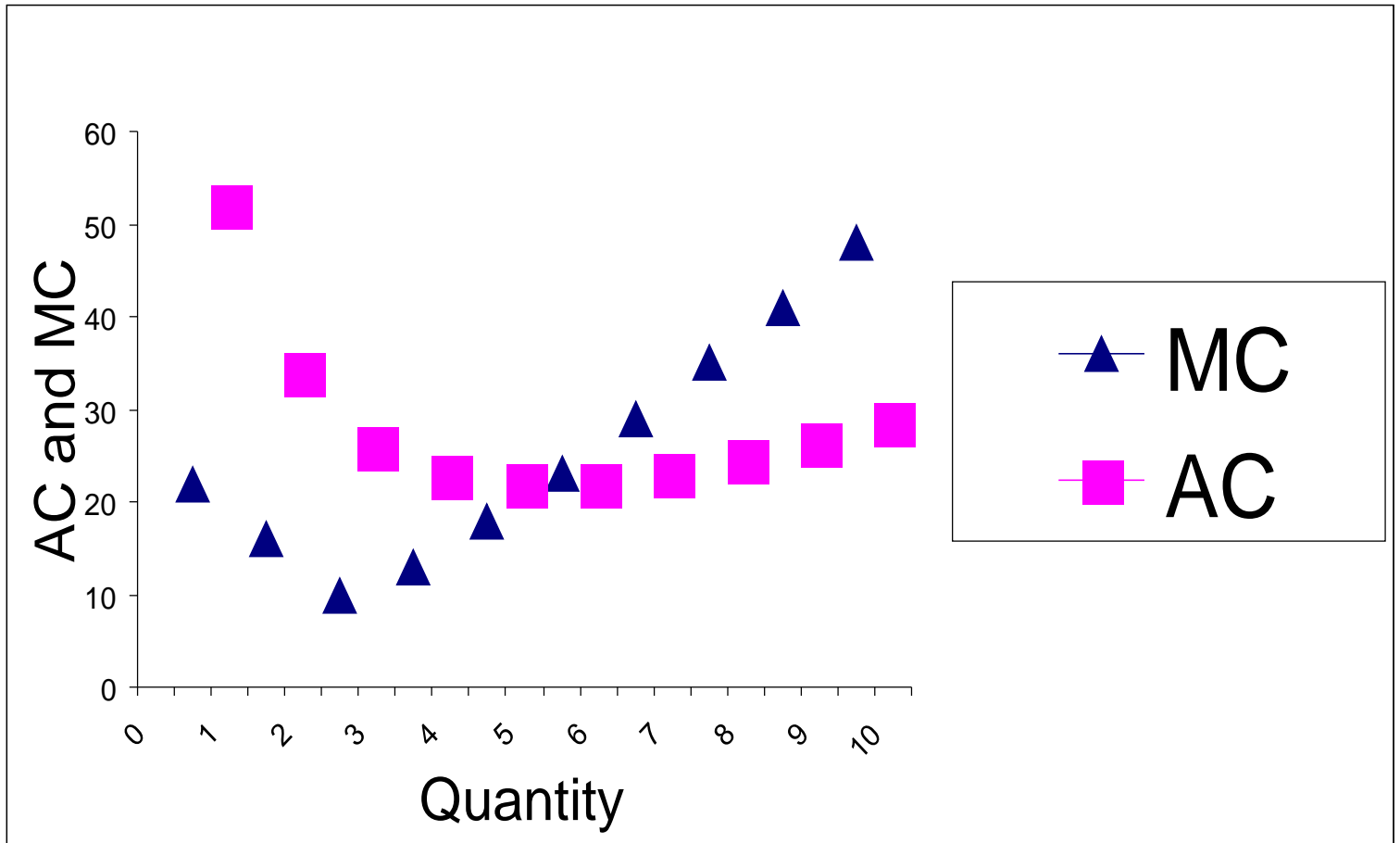


3.2 Relations between marginal cost and average cost



- 1 If $MC < AC$, then AC falls
- 2 If $MC > AC$, then AC rises
- 3 The marginal cost curve cuts the average cost curve at its minimum.