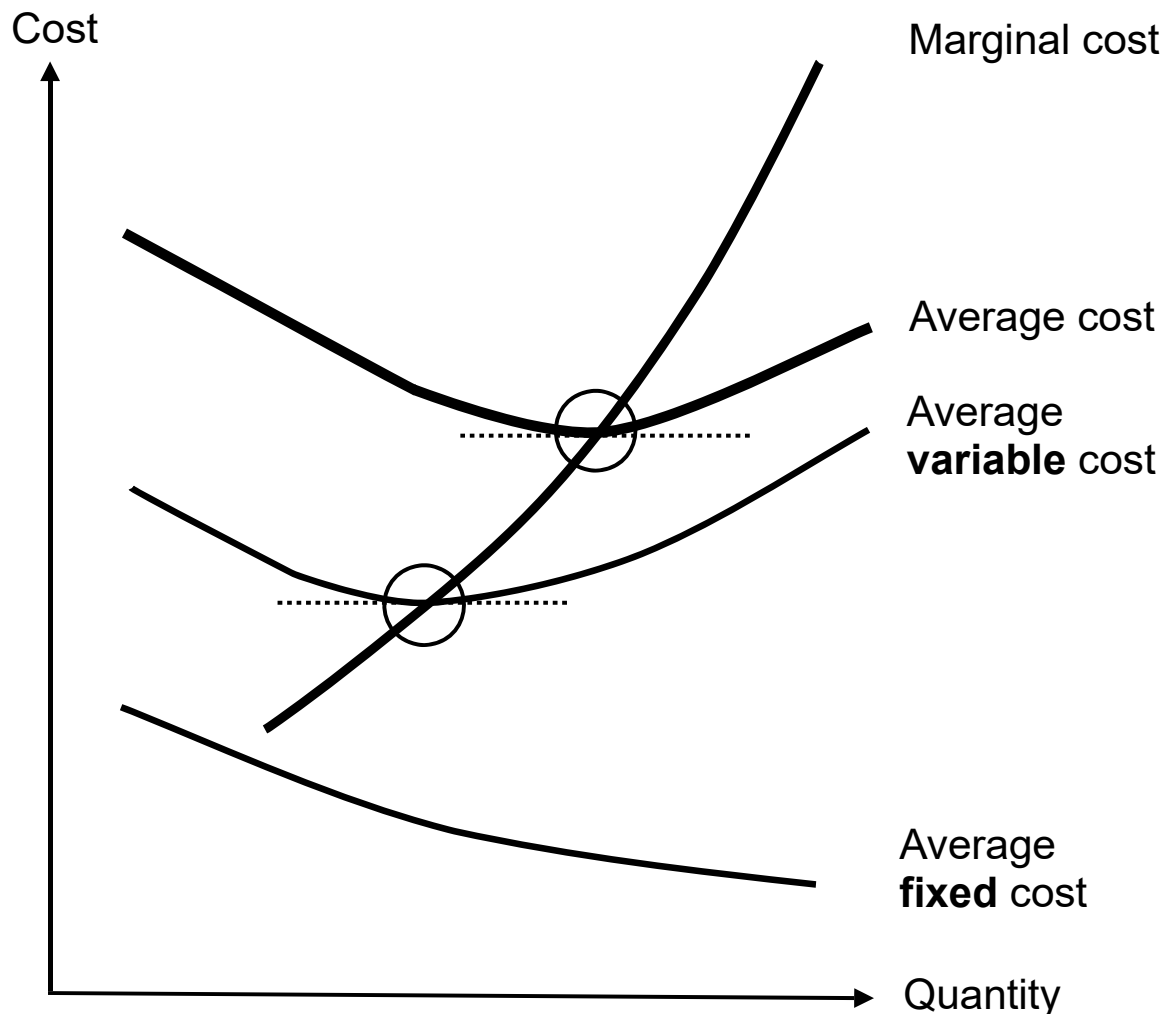


Cost - average and marginal 2



$$\text{Average cost} = \frac{\text{Total cost}}{\text{Quantity}}$$

$$\text{Average fixed cost} = \frac{\text{Total fixed cost}}{\text{Quantity}}$$

$$\text{Average variable cost} = \frac{\text{Total variable cost}}{\text{Quantity}}$$

$$\text{Marginal cost} = \frac{\text{Change in total cost}}{\text{Change in quantity}}$$

→ The marginal cost curve cuts the average variable cost curve and the average cost curve at their minimum.