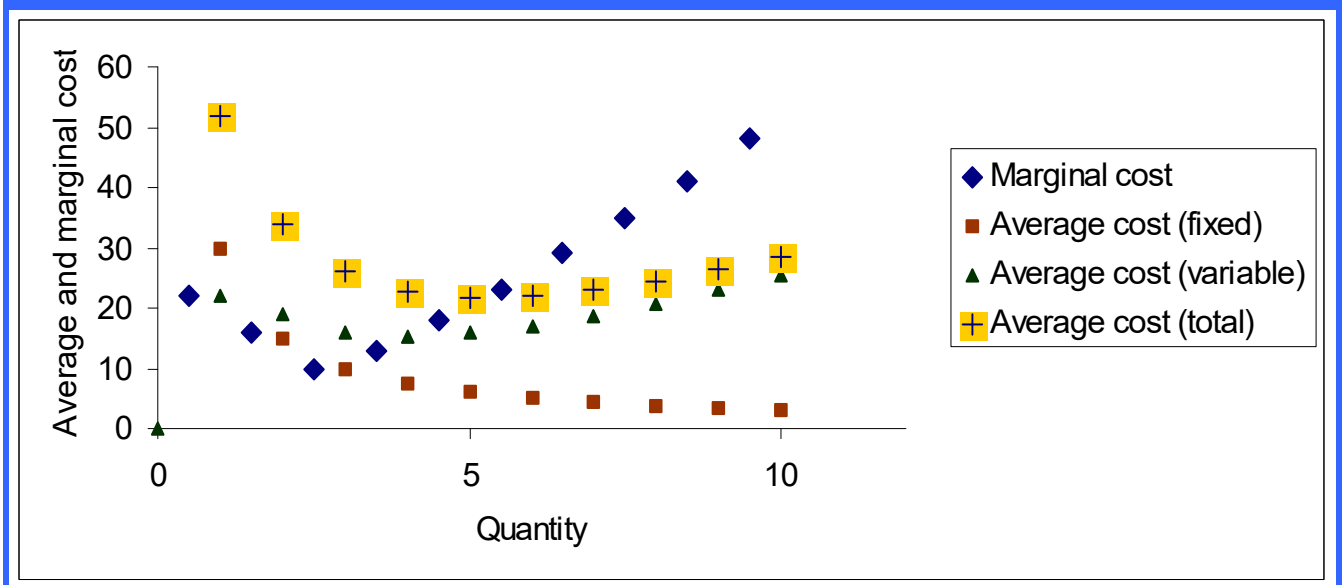
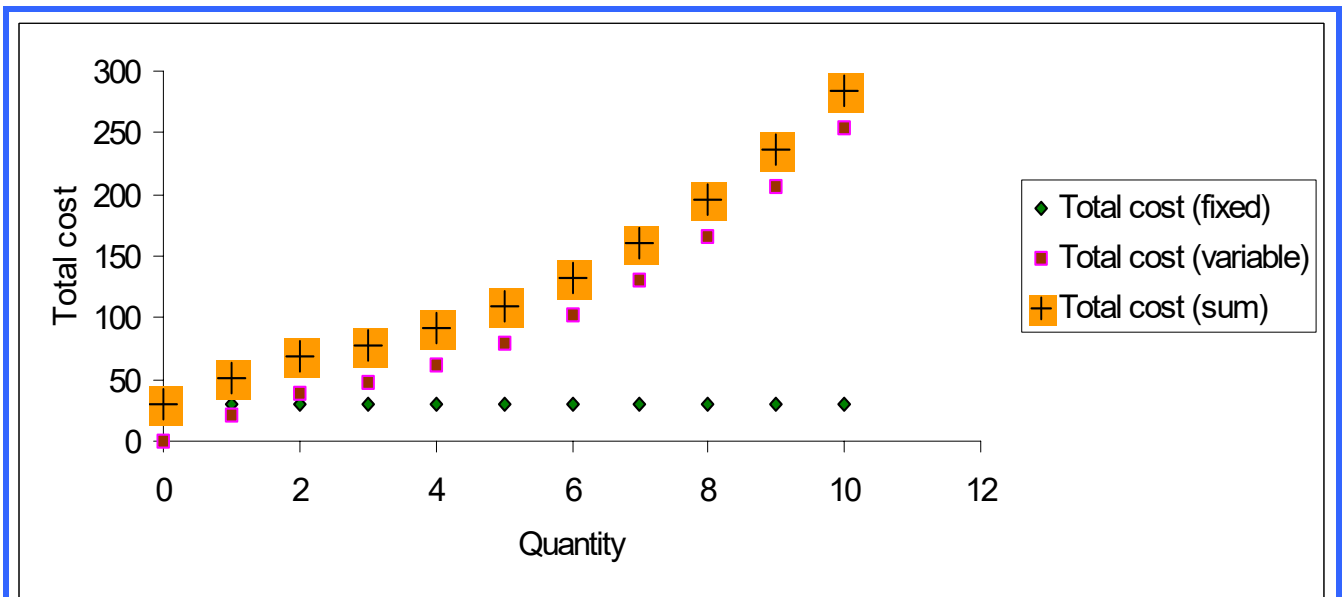


Costs



Total cost (fixed)

They are independent of the quantity.

Total cost (variable)

They are dependent on the quantity.

Total cost

= Total cost (fixed) + total cost (variable)

Average cost

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

Marginal cost

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