













(S	Short-run)	productio	n function
	Quantity of labour L	Quantity of wheat Q	
	0	0	
	1	19	
	2	36	
	3	51	
	4	64	
	5	75	
	6	84	
	7	91	
	8	96	Land is fixed (10 acres)



arginal p	roduct of	labour
Quantity of labour L	Quantity of wheat Q	Marginal product of labour MPL=∆Q/∆L
0	0 —	
1	19 <	
2	36 <	
3	51 <	
4	64 <	
5	75 <	\leq
6	84 <	\leq
7	91 <	\leq
8	96	











hort-rur	n) cost		
Quantity of labour L	Quantity of wheat Q	Variable cost VC	Total cost TC = FC + VC
0	0	\$0	
1	19	200	
2	36	400	
3	51	600	
4	64	800	1,200
5	75	1,000	1,400
6	84	1,200	1,600
7	91	1,400	1,800
8	96	1,600	2,000





Quantity of boots Q	Variable cost VC	Total cost TC = FC + VC	Marginal cos MC = ⊿TC/⊿G
0	\$0	\$108	
1	12	120	
2	48	156	
3	108	216	
4	192	300	
5	300	408	132
6	432	540	156
7	588	696	180
8	768	876	100
9	972	1,080	204
10	1,200	1,308	228







Quantity of	Variable cost	Average var.	Total cost	Average total	Average fixed
	¢C	COSTAVE	¢109	CUSIATC	COSTAPC
0	φU	-	φ108 400	<u>-</u>	- #100
1	12	\$12	120	\$120	\$108
2	48	24	156	78	54
3	108	36	216	72	36
4	192	48	300	75	27
5	300	60	408	81.60	21.60
6	432	72	540	90	18
7	588	84	696	99.43	15.43
8	768	96	876	109.50	13.50
9	972	108	1,080	120	12
10	1.200	120	1.308	130.80	10.80

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(Short-run) average costs Average fixed, variable, total cost \$140 \$120 AVC \$100 \$80 \$60 \$40 AFC \$20 \$0 1 2 3 4 5 6 7 8 9 0 10 Quantity of boots



















(S	Short-r Example	UN) : toma = \$18	COStS a ito produ (<i>MR = P</i>).	and N ction.	ЛR		
	Quantity of tomatoes Q 0 1 2 3 4 5 6 7	Variable cost VC \$0 16 22 30 42 58 78 78 102	Total cost TC \$14 30 36 44 56 72 92 116	Marginal cost MC	Marginal revenue MF 18 18 18 18 18 18 18 18	Total R revenue TR \$0 18 38 54 72 90 108 126	Profit TR - TC





	in) a	verage	COSIS	
Quantity of	Variable	Average var.	Total cost	Average total
n naites Q	\$0	-	\$14	-
1	φ0 16	\$16	30	
2	22	11	36	
3	30	10	44	14.67
4	42	10.50	56	14
5	58	11.60	72	14.40
6	78	13	92	15.33
7	102	14.57	116	16.57































































