Wilf Csaplar Jr. Economics 163 Homework #7 Due 10/27

Place your name on the back of this sheet of paper and nowhere else. Staple your answers on the front of this sheet of paper. Failure to follow these directions will cost you 1 point. Your assignment will be typed, except graphs can be drawn by hand and mathematical equations can be done by hand. Failure to type it will cost you 10 points. If you use double-sided printing or print on the back of scrap paper, I will give you one additional point.

Econ Club meets Thursdays at 11:00 in Morlan 103. You need not be a major in the department to attend. Attendance can help you with networking. That will help you meet upper-class students who can help you with courses and maybe with a job later.

1) (36 points) Copy the table below onto your answer sheet. Fill it in. Show all calculations. If there is no calculation, then explain how you got your answer.

Q	TC	TFC	TVC	ATC	AFC	AVC	MC
0	60						
1	70						
2	76						
3	84						
4	112						
6	180						

2) (24 points) Draw the APL/MPL diagram. Explain why the MPL curve takes its shape. Then explain why the APL curve takes its shape.

3) (10 points each) For each of the following statements, determine if it is true or false. Prove you have reached the correct conclusion.
A) The AFC curve keeps going down.
B) The MC curve goes through the minimum point of the ATC curve.
C) The MC curve starts at the same point as the AVC curve.
D) The AVC curve is "parallel" to the ATC curve. In other words, the vertical distance between the curves is always the same.

Note that on an exam, I will not ask you to draw the ATC/AVC/AFC/MC diagram, but I will probably draw one for you and ask you to find out what is wrong with it. To see a question like that, go to http://mysite.bethanywv.edu/wcsaplar/s08/280exam3.pdf and look at Question #2.