

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.

1) (35 points) Fill in the following table. Show all calculations, and if there is no calculation, explain how you reached the conclusion.

Q	TC	TVC	ATC	AVC	AFC	MC
0	120					
2		20				
4			38			
5				8		
6						32

2) (25 points) Illustrate an increase in the rent of a building on the AFC/AVC/ATC/MC diagram. Explain why the curve(s) moved as drawn.

3) (25 points) Illustrate an increase in the wage rate on the AFC/AVC/ATC/MC diagram. Explain why the curve(s) moved as drawn.

4) (15 points) Draw the SRTC curve. Explain why it takes its shape.