

Do not put your name anywhere on the assignment. Other than on the back of this sheet of paper. 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.

1) (40 points) Fill in the table below. (You can write in the boxes.) Write the calculation you did in the cell beside the answer. If there is no calculation, briefly explain your answer.

Q	TC	MC	ATC	TR	MR	Profits
0						
1	100				130	
2		80		250		
3			90		110	
	470		94	560		

2) (15 points) Suppose the demand curve is written as $P = 100 - 2Q$. Write the formula for the total revenue curve. Derive the marginal revenue curve and the average revenue curve. Show all work and briefly explain your logic.

3) (10 points) Figure 2-3 can be argued to have two errors. What is one of them? Explain your logic.

4) (15 points) Why must the *marginal blah* curve go through the maxima **and** the minima of the *average blah* curve. It makes no difference what *blah* is, this property holds.

5) (20 points) Draw a normally shaped MC curve. Explain why it takes that shape.