

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) (25 points) Draw the AVC/AFC/ATC/MC diagram. Illustrate the effects of an increase in the price of raw materials. Explain why the curve(s) moved as drawn.

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

3) (50 points) Copy the following table onto your answer sheet. Fill it in. Show all work and if there is no work, then explain how you got the answer.

Q	TC	TVC	TFC	ATC	AVC	AFC	MC
0	540						
2		300					
4				260			
	1290					90	
9							215