

Place your name on the back of this sheet of paper and nowhere else. Staple your answers face up 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) (20 points) Copy the table onto your answer sheet and fill it in. Show all calculations. If there is no calculation for an entry, then explain how you got the entry. Assume there are no fixed costs.

2) (10 points) If the total cost equation is given by: $TC = 10 + 6Q - \frac{1}{2}Q^2 + Q^3$, then find ATC and MC. Show all work and briefly explain what you did.

3) (20 points) Draw the ATC/MC diagram. Explain why it takes its shape.

4) (25 points) What is TQM? How does it help the firm? Why must it have few clear goals?

5) (25 points) What is Benchmarking? Why would a firm do that? What is the disadvantage of doing it?

Q	TC	ATC	MC
0			
2	20		
4		9	
6			9
	70	10	