

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) (25 points) Draw the ATC/AVC/AFC/MC diagram. Illustrate the effects of an increase in the salary of the CEO. Explain why the curve(s) moved as drawn.
- 2) (25 points) Draw the ATC/AVC/AFC/MC diagram. Illustrate the effects of an increase in the wage rate of employees on the assembly line. Explain why the curve(s) moved as drawn.
- 3) (25 points) Draw the ATC/AVC/AFC/MC diagram. Illustrate the effects of an increase in the electricity rate. Explain why the curve(s) moved as drawn.
- 4) (25 points) Copy this table into your answer sheet. Fill it in. Show all work. If there is no work then briefly explain how you got the number.

Q	TC	TVC	TFC	ATC	AVC	AFC	MC
0	240		240				
2		60					
		100				60	
		125			25		
6							55