

IC #15 Key (4-20-09)

1. Which of the following is AVC?

- a. TC / q (-3)
- b. q / TVC (-2)
- * c. $ATC - AFC$ (-0)
- d. $TC - TFC$ (-3)
- e. ΔTVC (-2)

2. Assume the graph below contains TFC, TVC, and TC curves for a production process. Which of the following distances in the graph represents the TVC of producing Q_0 units of output?

- a. $D - C$ (-2)
- * b. $D - B$ (-0)
- c. $D - A$ (-3)
- d. $C - B$ (-2)
- e. $B - A$ (-2)

