Unit III Handout - Perfect Competition

[Link to Unit III Powerpoint]

Short Run Per Unit Questions

Answer the next question(s) on the basis of the following cost data for a firm that is selling in a purely competitive market:

Total product	Average fixed cost	Average variable cost	Average total cost	Marginal cost
1	$100.00	$17.00	$117.00	$17
2	50.00	16.00	66.00	15
3	33.33	15.00	48.33	13
4	25.00	14.25	39.25	12
5	20.00	14.00	34.00	13
6	16.67	14.00	30.67	14
7	14.29	15.71	30.00	26
8	12.50	17.50	30.00	30
9	11.11	19.44	30.55	35
10	10.00	21.60	31.60	41
11	9.09	24.00	33.09	48
12	8.33	26.67	35.00	56

Identify the Q + Profit/Loss

* P=$16

* P=$32

* P=$13.50

* P=$50

What is the Fixed Cost?

Short Run Questions Using Totals

Q	TC	MC
0	15	—
1	22	7
2	27	5
3	30	3
4	32	2
5	33	1
6	34	1
7	36	2
8	39	3
9	44	5
10	51	7
11	60	9
12	76	16
13	104	28
14	144	40

Find Q + Profit

P = \$10

P = \$2.50

P = \$8

P = \$4.50

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Download Perfect Competition Question Variations Here (with Key) - Answer questions BEFORE looking at Key!!

[Perfect Competition Questions With Key Link]