

MICRO ECONOMICS

Formulas

Q	TFC	AFC	TVC	AVC	TC	ATC	MC
at any level of output	$= TC - TVC$	$=TFC/Q$	$=TC - TFC$	$= TVC/Q$	$=TFC + TVC$	$=TC/Q$	$\Delta TC/\Delta Q$
	OR	OR	OR	OR	OR	OR	OR
	$=AFC * Q$	$=ATC-AVC$	$= AVC * Q$	$= ATC - AFC$	$=ATC * Q$	$= AFC + AVC$	$\Delta TVC/\Delta Q$

AFC= Average Fixed Cost
 ATC= Average Total Cost
 AVC= Average Variable Cost
 D= Demand
 MC= Marginal Cost
 MR= Marginal Revenue
 P= Price
 Q= Quantity
 TC= Total Cost
 TFC= Total Fixed Cost
 TR= Total Revenues
 TVC= Total Variable Cost

Q	*MR	TR	P
at any level of output	$\Delta TR/\Delta Q$	$= P * Q$	same at any Level of output unless told differently in the problem
	OR		
	P		

*P: **Purely Competitive Firms (Price Takers): $MR = P = D$**
Firms with market power (Price Makers): $MR < P$