MICRO FORMULAS ANSWER KEY

16. TFC + TVC = TC
17. TFC / Q = AFC
18. TVC / Q = AVC
19. AFC + AVC = ATC
20. TC / Q = ATC
21. Δ TC / Δ Q = MC
22. P x Q = TR
23. Δ TR / Δ Q = MR
24. Price or AR or MR < AVC : Shutdown
25. P = ATC : Fair-Return (0 Economic Profit or Normal Profit)
26. P = MC : Socially-Optimum Price (Allocative Efficiency)
27. P = Min ATC : Productive Efficiency
28. MUA / PA = MUB / PB : (Utility Maximization Rule)
29. MR = MC : Optimal Output Rule (Profit Maximization)
30. MRP = MRC : Hiring Rule
31. MP x P = MRP
32. TR – TC = Profit
33. Δ TR / Δ Input = Marginal Revenue Product (MRP)
34. Δ TC / Δ Input = Marginal Resource Cost (MRC)
35. ed < 1 : Demand is inelastic
36. ed > 1 : Demand is elastic
37. ed = 1 : Demand is unit elastic
38. Δ in Price = Movement Along the Curve