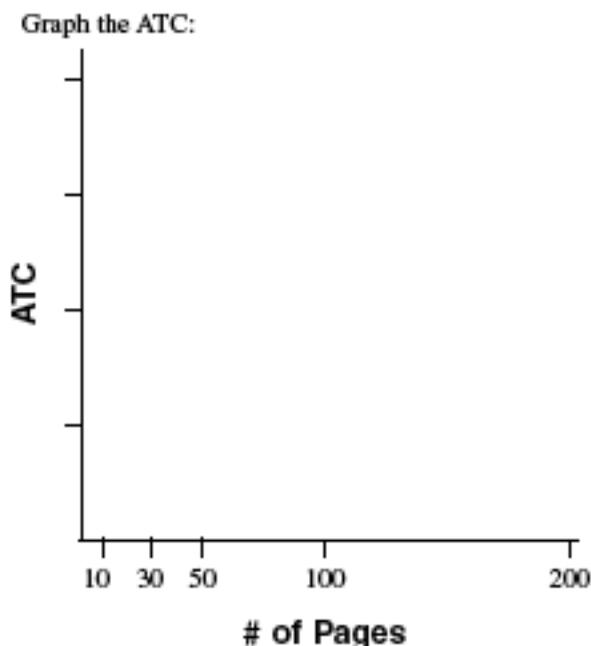


Person 3

You have rented the large-sized truck for \$1000. In addition you must pay for gas, mileage, and movers. Your costs are as follows:

# of rooms moved	FC	VC	TC	ATC
10	1000	50		
30	1000	100		
50	1000	150		
100	1000	200		
200	1000	2800		

[Note: Graph as before but horizontal scale reduced by factor of 10]



When you complete your table and graph, rejoin the group. As a group answer the following:

1. Complete this table

Rooms	Which truck has lowest TC?	ATC
10		
30		
50		
100		
200		

2. In this case were there economies of scale or diseconomies of scale? Explain.
3. Now add the two other ATC curves to your own graph. In a different color, identify the *long-run* ATC curve, assuming that inputs (trucks) can be changed.
4. How is the long run ATC curve different from your individual ATC curve?