

K	L	O	VC	R	Diff	MVC	MR
1	0	0	0	0	0	0	0
1	1	40	34	42	8	0.85	1.05
1	2	90	69	102	33	0.70	1.20
1	3	120	102	139.5	37.5	1.10	1.25
1	4	125	132.5	145.5	13	6.10	1.20
1	5	100	160	115.3	-44.7	-	-

Cookie Production:

(Variable price – look at R/O & establish a downward sloping demand curve)

Diff = R - VC

MC=MR between 120<sup>th</sup> and 125<sup>th</sup> cookie.