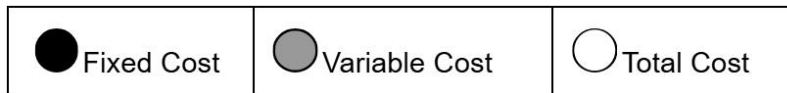
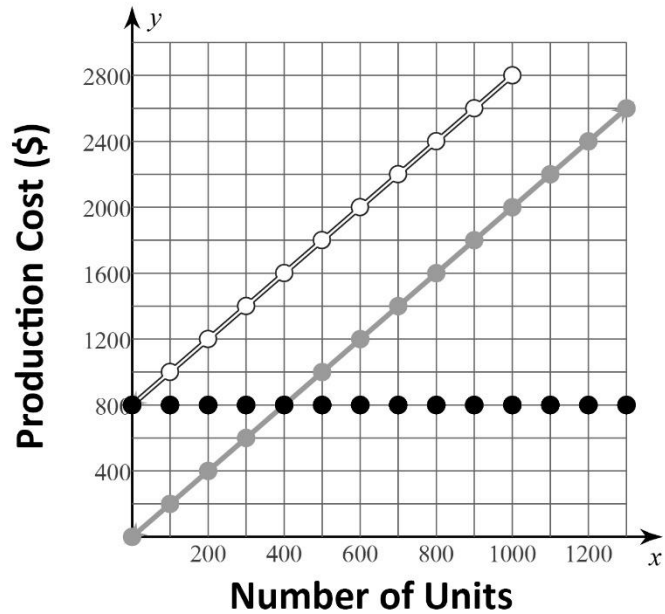


GUIDED NOTES

Use the table below to record your notes as we discuss.

	Notes
Cost of Production	
Fixed Cost	
Examples of Fixed Cost	
Variable Cost	
Examples of Variable Cost	



Use your notes from the table on page one and the information on the graph to answer the following questions:

1. What do you notice about the graph of the fixed cost?
2. What is the fixed cost if nothing is produced?
3. What is the fixed cost if 1000 units are produced?
4. What is the total cost of producing nothing?
5. What is the total cost of producing 1000 units?
6. What is the relationship between the graph of total costs and the graphs of fixed and variable costs?