

# Proficiency and glib expertise of a person

Business, Human Resources



This statement is false because it does not include the contribution of fixed costs in the production of the table. Next, the average cost is calculated after dividing total costs by total units produced.

#### Part 4

Average total cost (40 shirts) =  $TC / TU = 600 / 40 = 15$

Average total cost (100 shirts) =  $900 / 100 = 9$

Average total cost (200 shirts) =  $1400 / 200 = 7$

Average total cost (400 shirts) =  $2400 / 400 = 6$

The average cost curve will be decreasing at a decreasing rate.

#### Part 5

The average cost decreases as the quantity produced increases because the contribution of fixed costs to each unit decreases. For instance, the fixed costs remain the same no matter what the quantity produced is; therefore, if more units are produced the total costs become low that then results in low average total costs.

#### Part 6

Assuming both firms have similar fixed costs, then the firm XYZ will have a higher cost per kilowatt-hour because its total output is three times below the output of ABC. For instance, the contribution of fixed costs on the average cost per kilowatt-hour will be higher in the case of firm XYZ due to low productivity.

#### Part 7

Explicit costs are those that are incurred during business operations i-e producing and offering goods and services. Indeed, they lead to cash outflows. Implicit costs, in contrast, are the opportunity costs of using

business resources/assets that could or could not be calculated in monetary terms.

#### Part 8

Total fixed costs remain the same or unaffected as output rises in the short run, assuming no change in capital resources. However, if the firm expands in the long run and rents a large building for office, factory, or other business purposes, then its fixed costs will also be changed.

#### Part 9

The short-run marginal-cost curve intersects the short-run average-cost curve at the minimum point of the average cost curve.

#### Part 10

If a flawless/impeccable car is built by a single highly specialized individual then I could pay what that car-manufacturing firm or individual person demands that car because the utility that I would get from using that vehicle would be higher.