

Business Applications

x – number of units

p – price per unit

P – profit

R – revenue

C – cost

FC – fixed cost

VC – variable cost

\bar{C} – average cost

$$P = R - C$$

$$R = x * p$$

$$C = FC + VC$$

$$\bar{C} = \frac{C}{x}$$

Marginals are derivatives of variables with respect to x