

18. Mike's Bicycle Factory builds specialty bicycles with the following long-run cost function: $TC = 2.5(Q^3)$. Plot Mike's ATC and MC curves for quantities 1 through 5.
- For which quantities does Mike's Bicycle Factory exhibit economies of scale?
 - For which quantities does it exhibit diseconomies of scale?
 - Derive marginal cost for the cost function using calculus.
 - For which values of Q is marginal cost as expressed in part (c) increasing?