

Firm Profit, Loss, and Shut Down

Based upon the graph, answer the following questions:

- 1) What is the production level that will maximize the profit for the firm?
- 2) What is the profit-maximizing price the firm will charge?
- 3) Will the firm incur an economic gain or economic loss?
- 4) What will the dollar amount of economic gain or economic loss be?
- 5) What will be the price and quantity where the firm will shut down?

