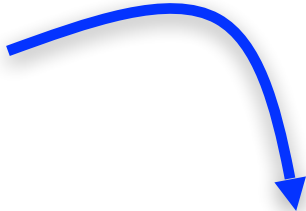


Producing where  $MC = MR$   
minimizes the loss

TR

Tc

Slope = MC







q\*



Loss



Loss



Loss



Loss



Loss

W



h

e

n





h

e

p













S

j











W





h

e









m

m

u

S





C

h





**S**

e



u





p

u







m





n



m



**Z**

e



h



e





**S**

S

A red speech bubble with a white shadow, pointing towards the top right. The text inside is white and reads: "When Total Revenue is too low".

When  
Total Revenue  
is too low

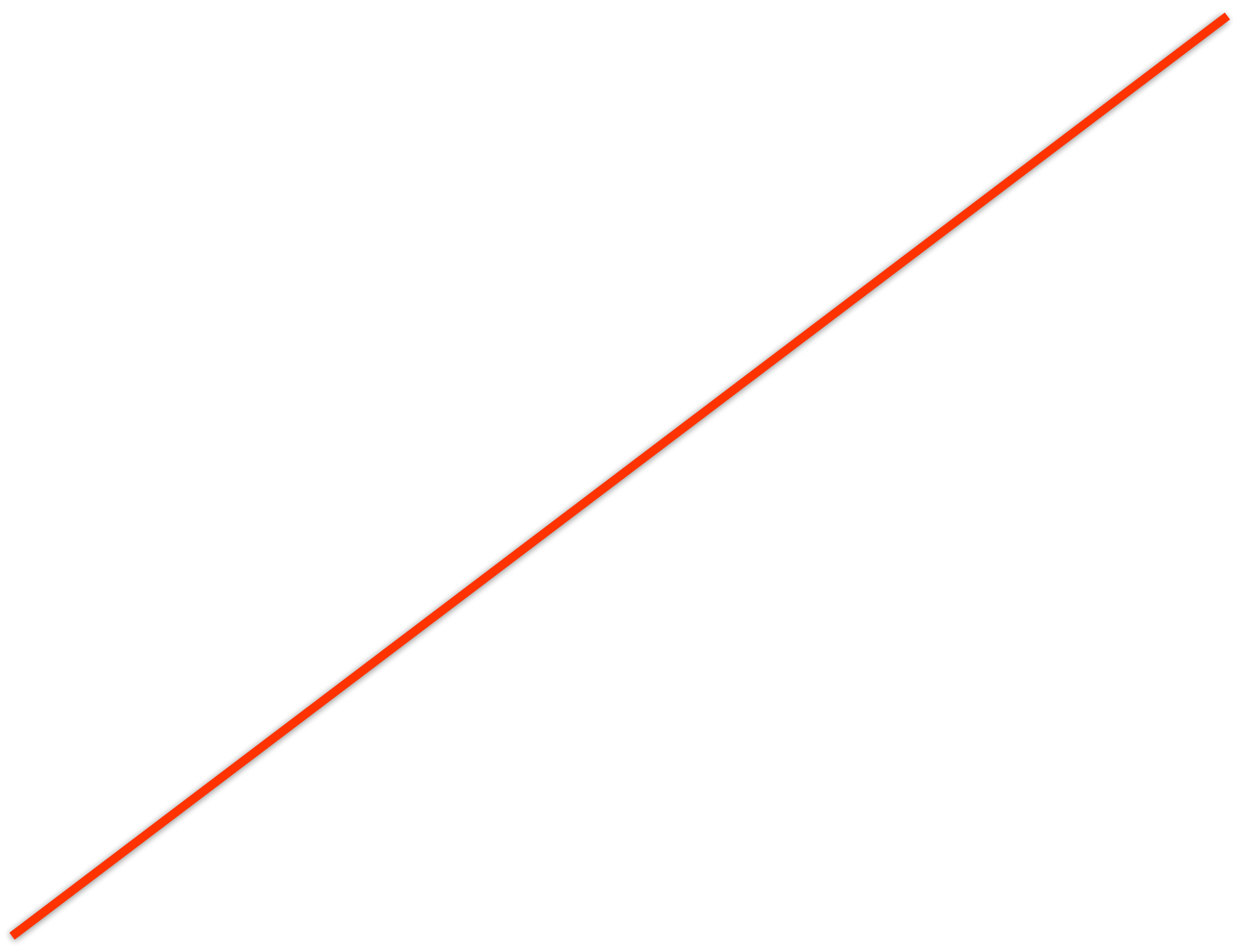


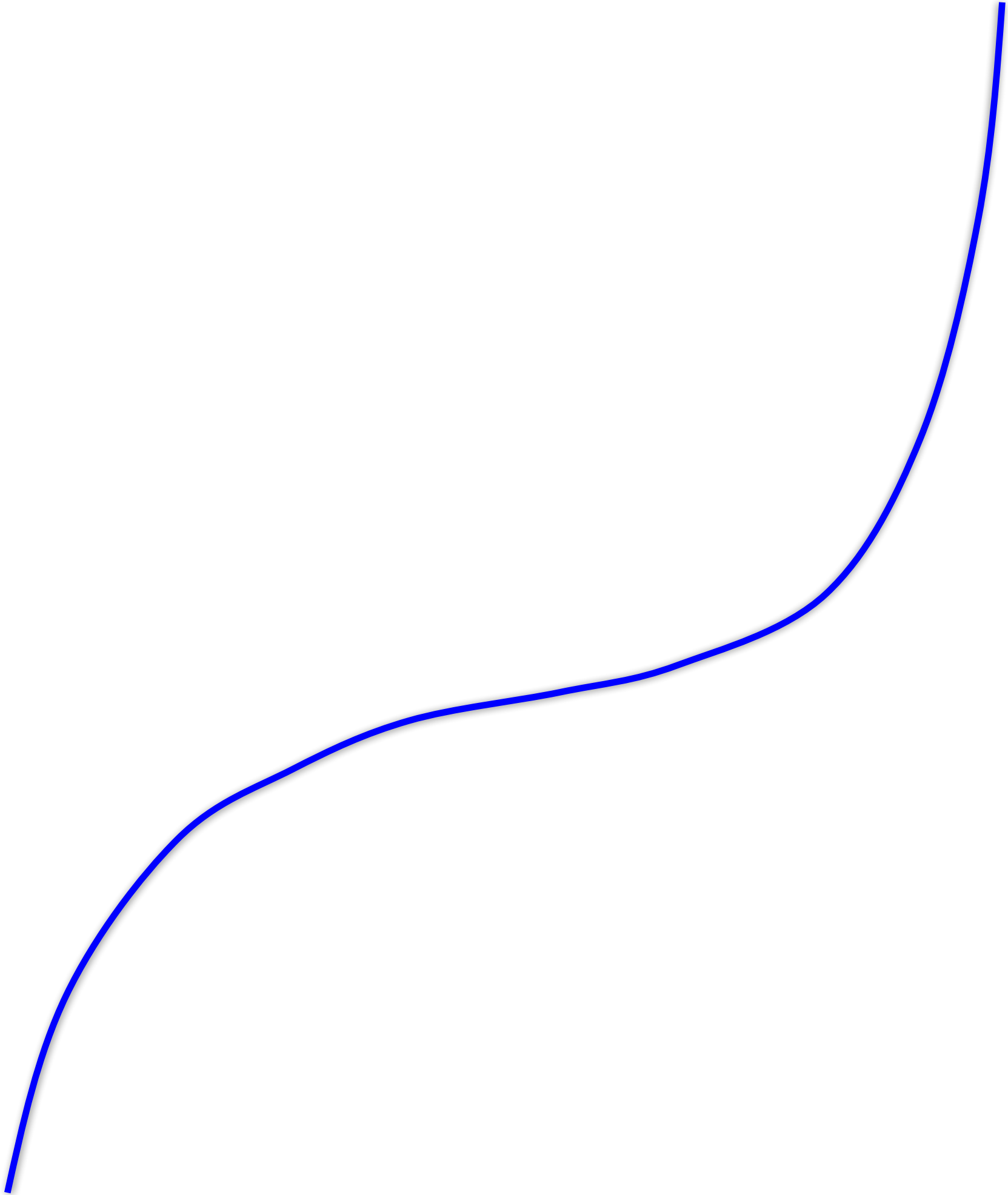
Slope = MR

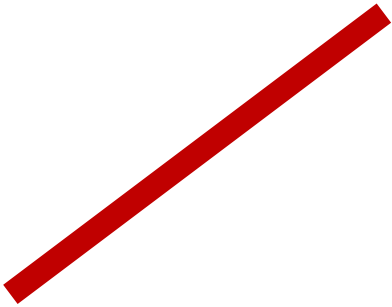


Smallest Loss









Output

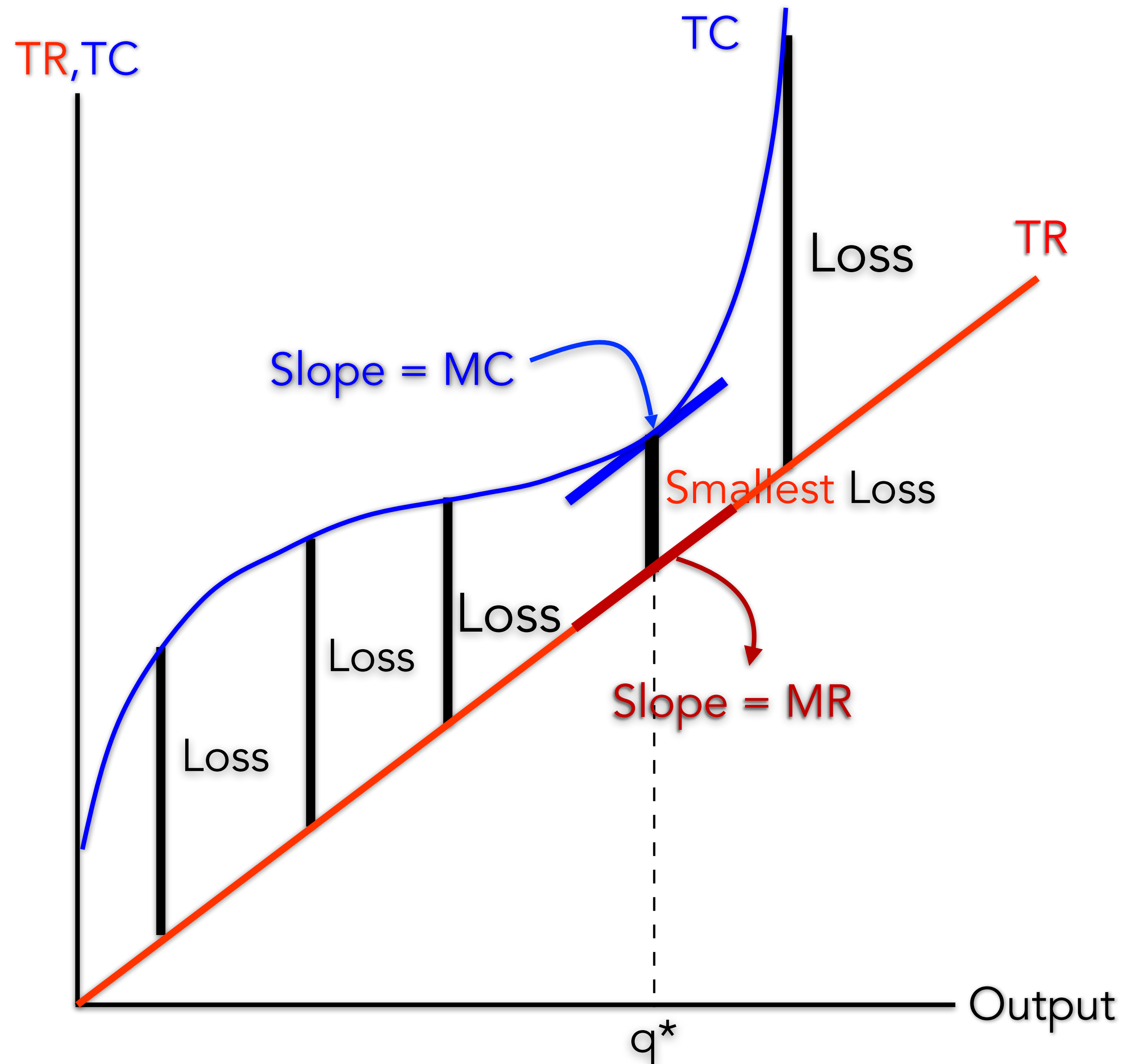
TR, TC

When the price is too low, the firm must choose output to minimize the loss

When the **price is too low**, the firm must choose output to minimize the loss

When  
Total Revenue  
is too low

Producing where  $MC = MR$   
minimizes the loss



TR, TC, VC

Output