







PO

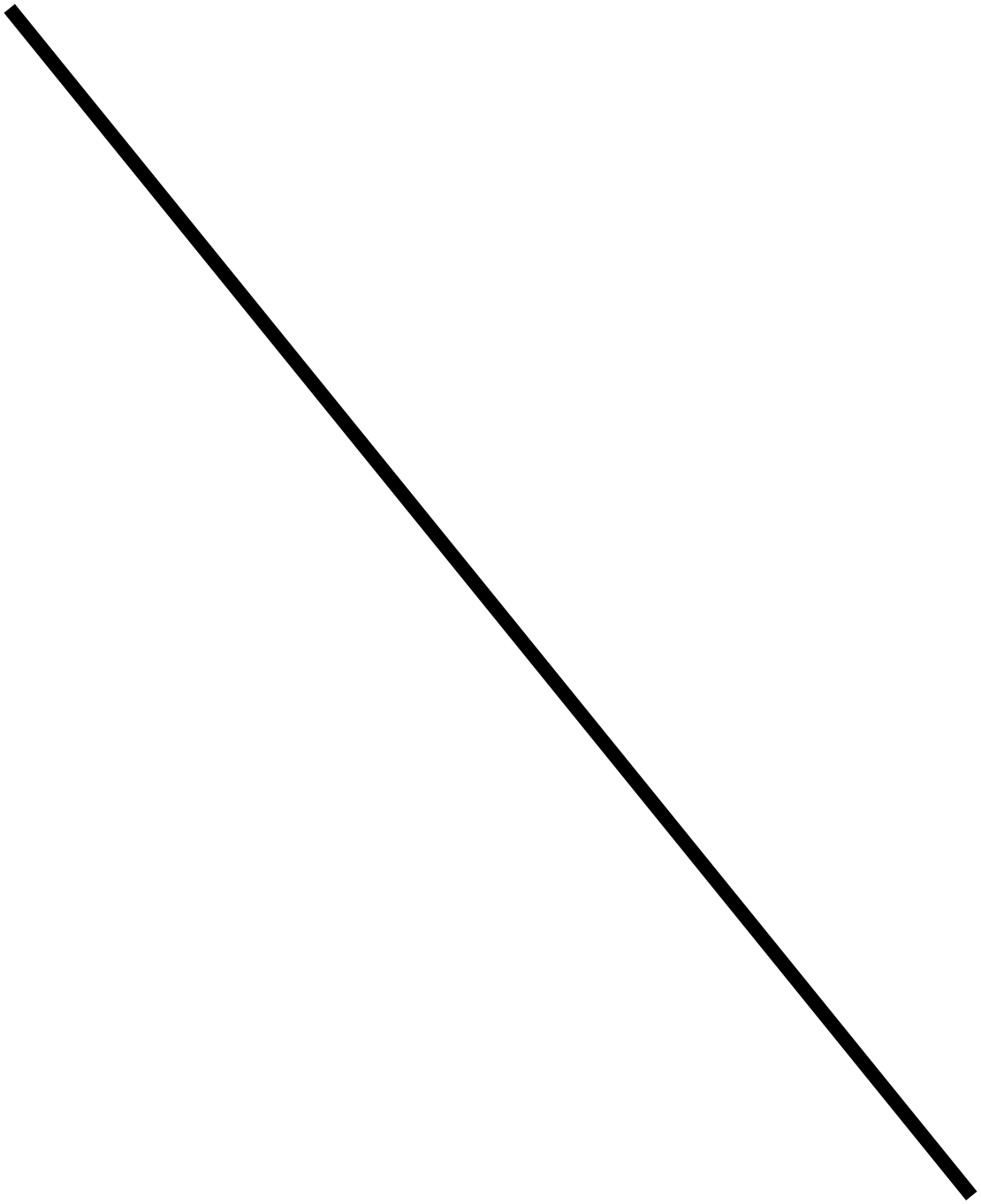
MR₀

ATC

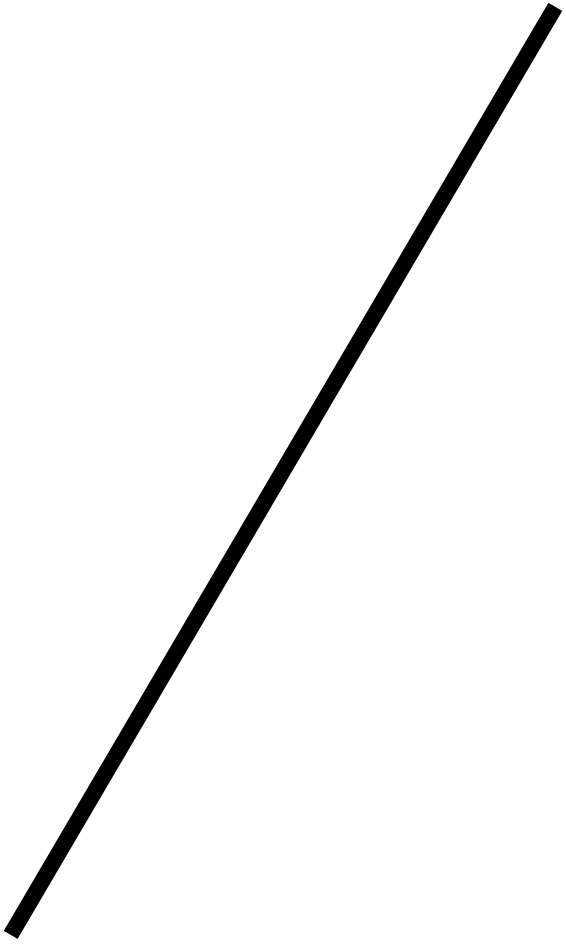
MC



Loss

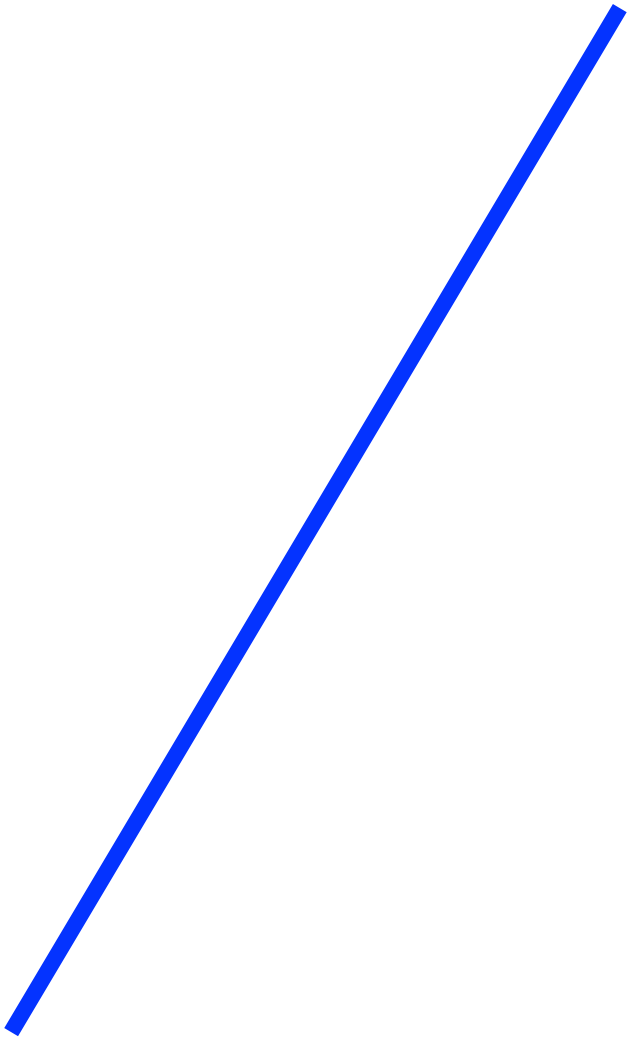






So





S₁

P₁

MR₁

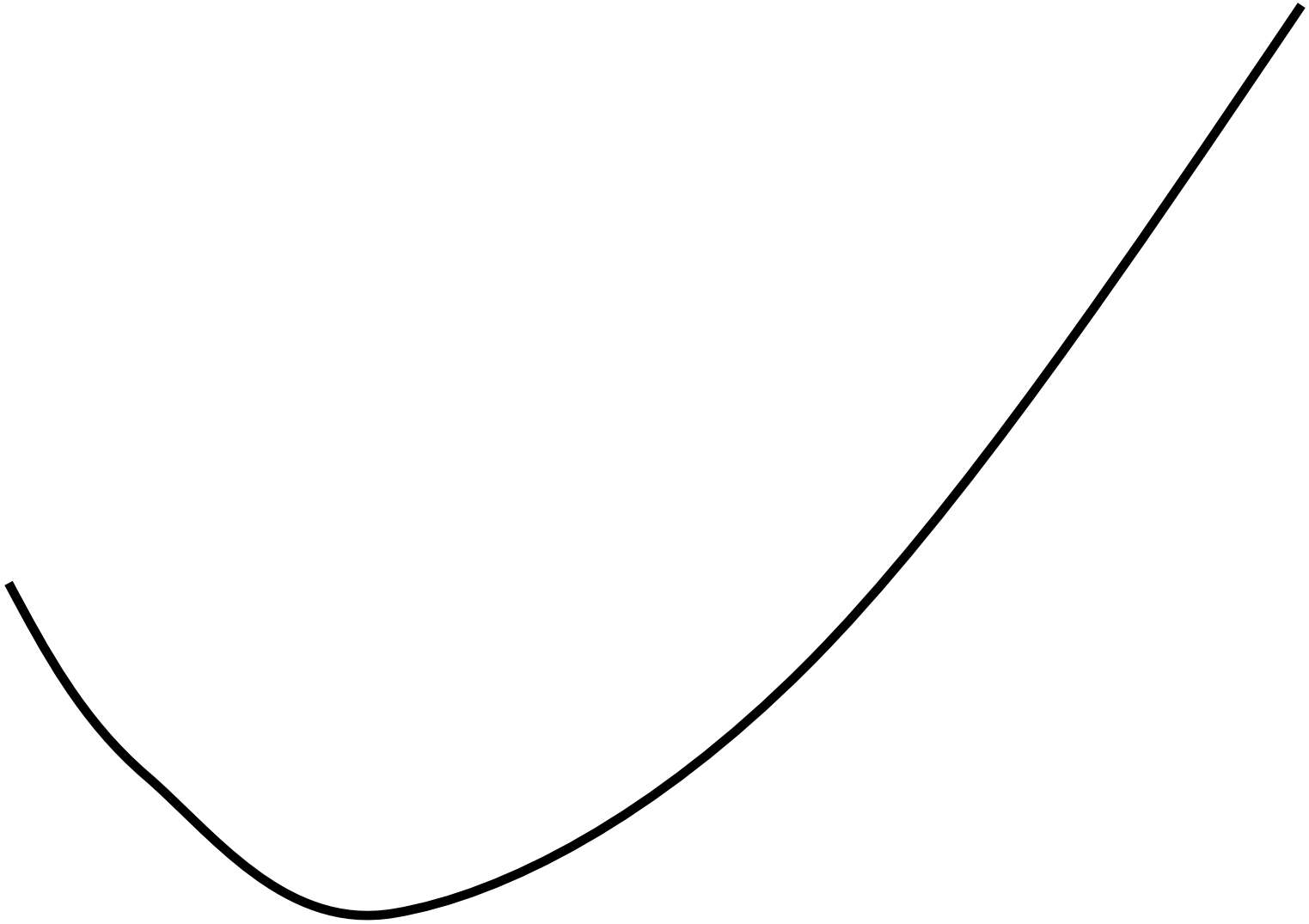


90

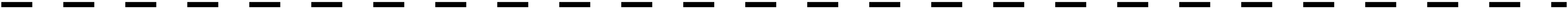
Q1

Zero

Economic Loss



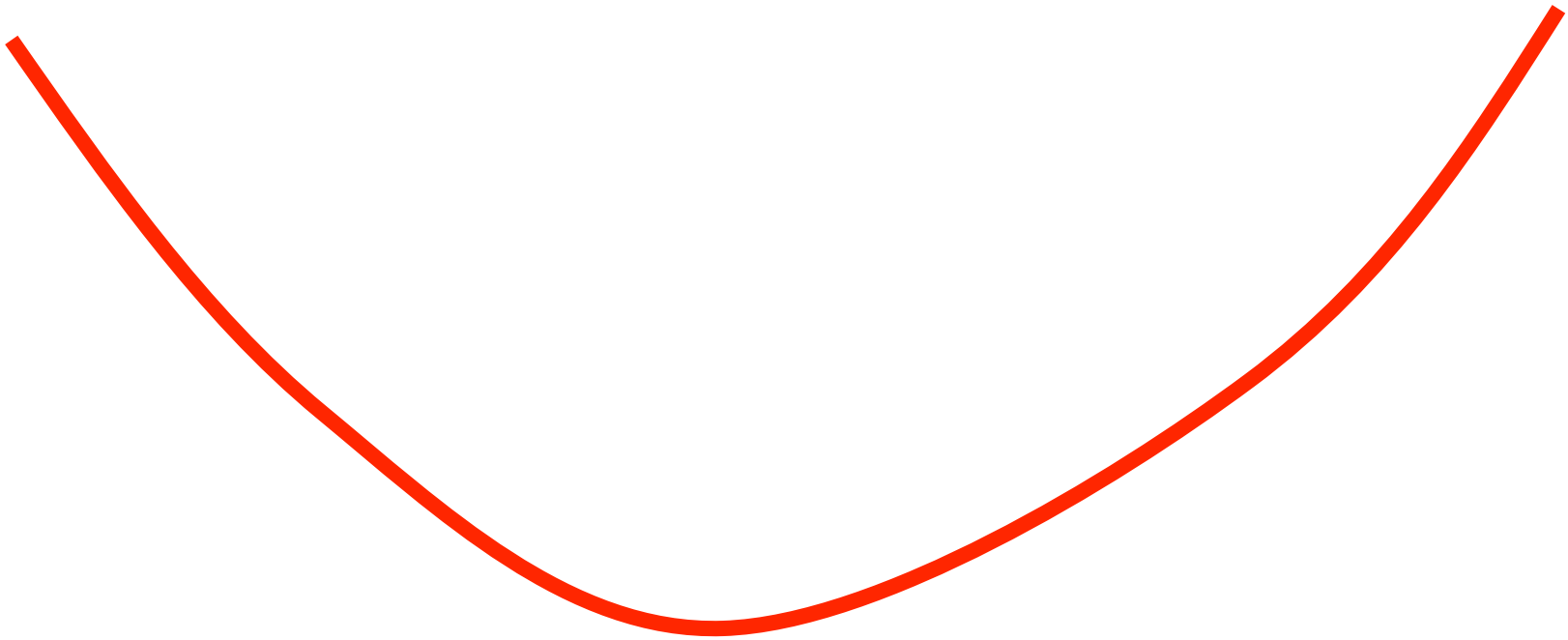






Firms **exit**, Supply shifts **left** and price **rises** until losses are zero

Firms exit until $p = \text{Min ATC}$

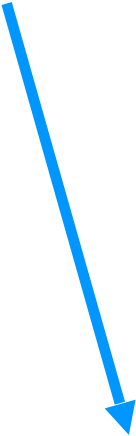




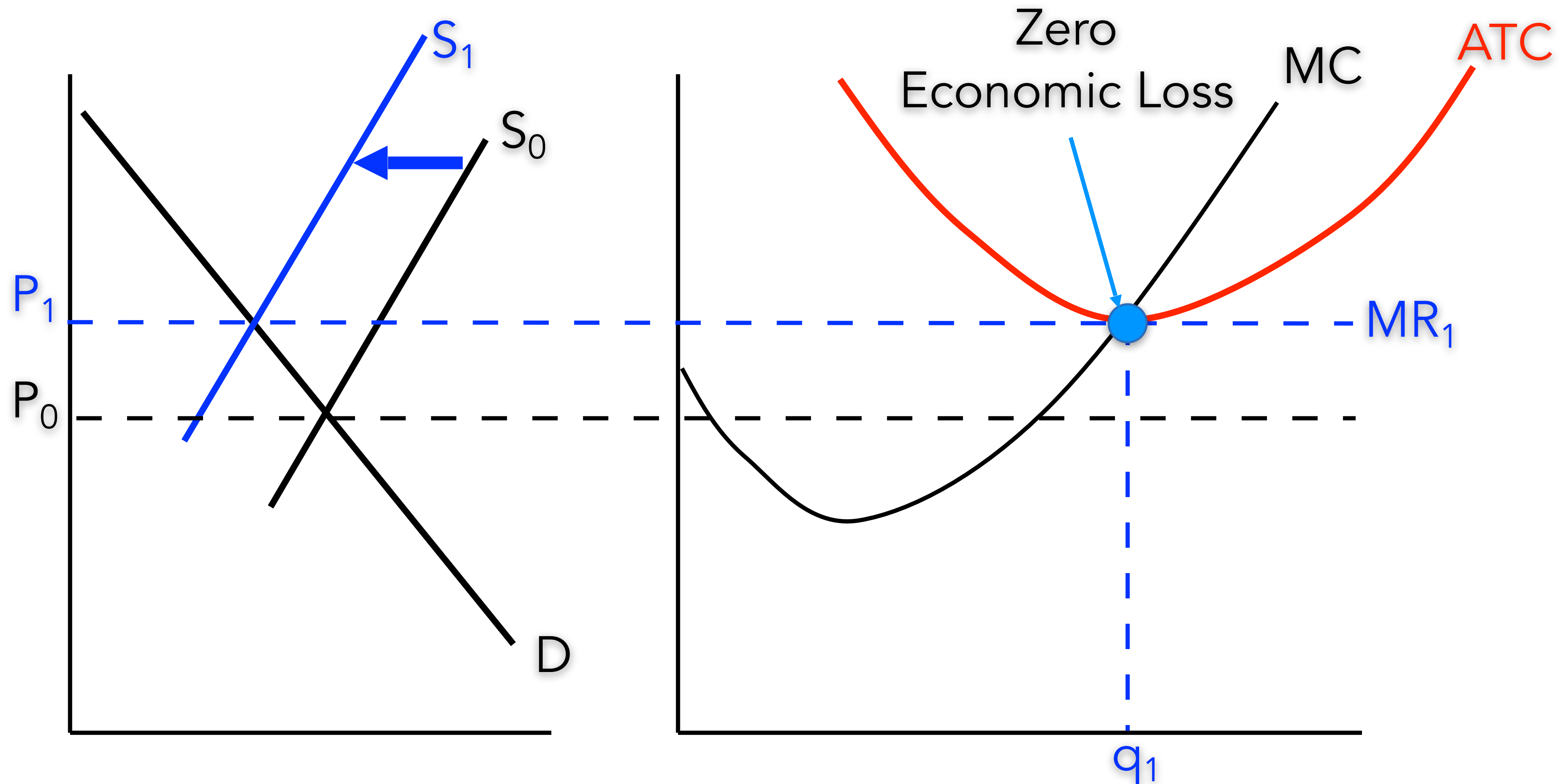
Firms **exit** forced by **losses**







Firms **exit** forced by **losses**



Firms exit until price = Min ATC

Firms **exit**, Supply shifts **left** and price **raises** until losses are zero

