

$$\text{Accounting Profit} = \text{TR} - \text{Explicit Cost}$$

Greater Than
Implicit Costs

Same as
Implicit Costs

Smaller Than
Implicit Costs


Economic
Profit is
Positive

Economic
Profit is
Zero

Economic
Profit is
Negative



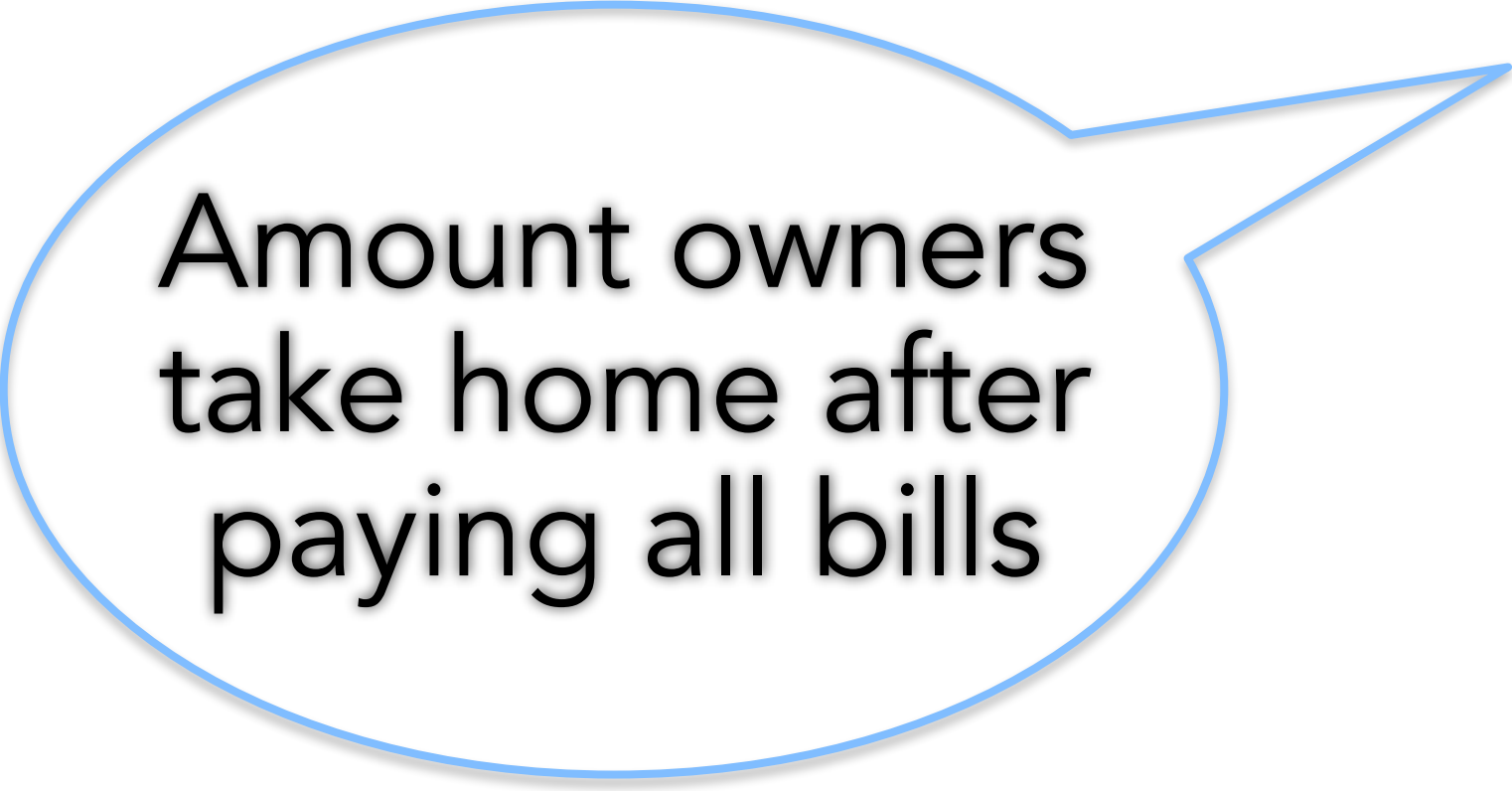
Stay in
business



Stay or leave
owners make the
same amount

A red starburst shape with a dark red outline, centered on a white background. The word "Leave" is written in white text inside the starburst.

Leave



Amount owners
take home after
paying all bills

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