



Total Revenue = \$140,000 Explicit Costs = 100,000



Leo's
Time

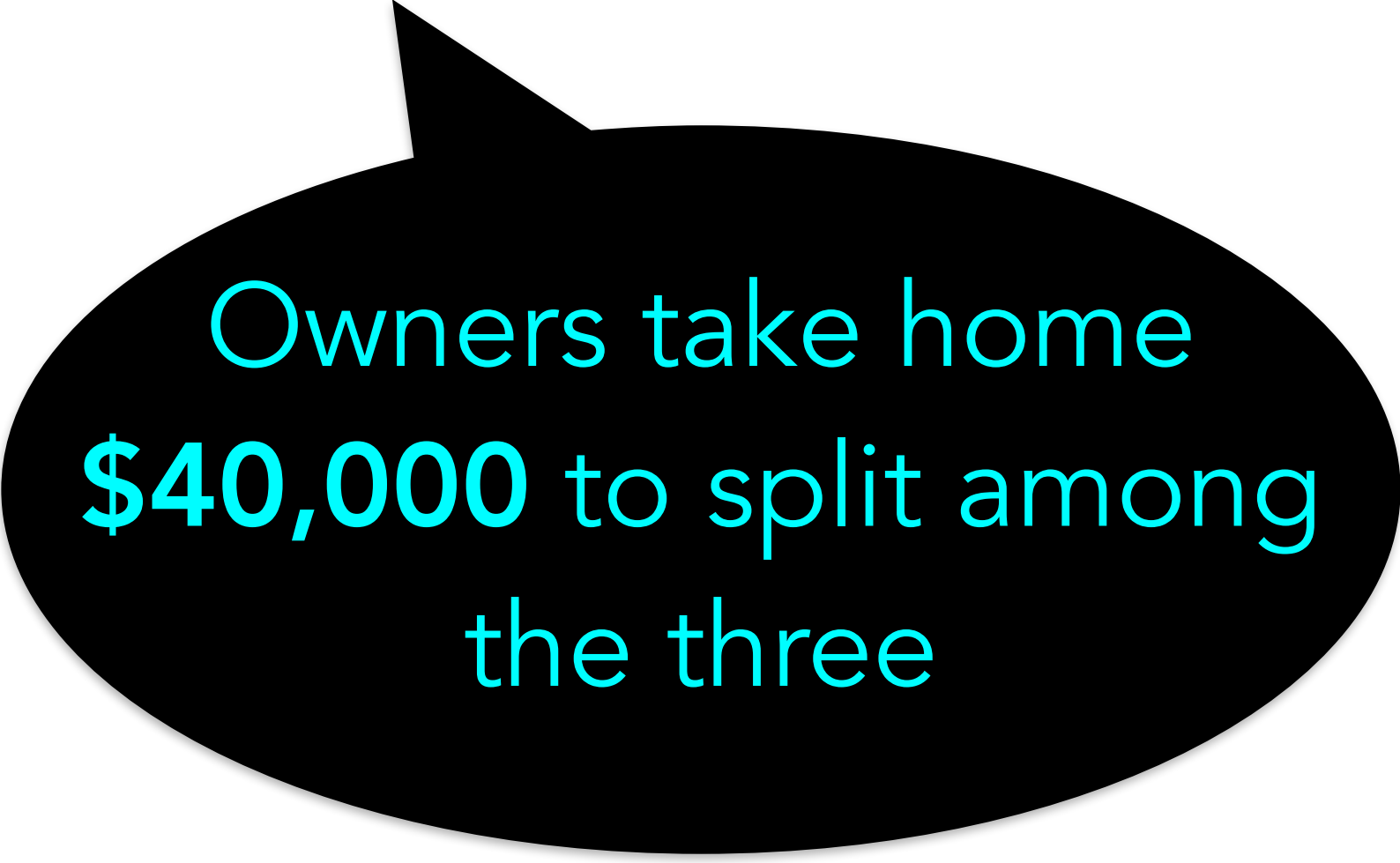
Winston's
Money

Jose's
Land

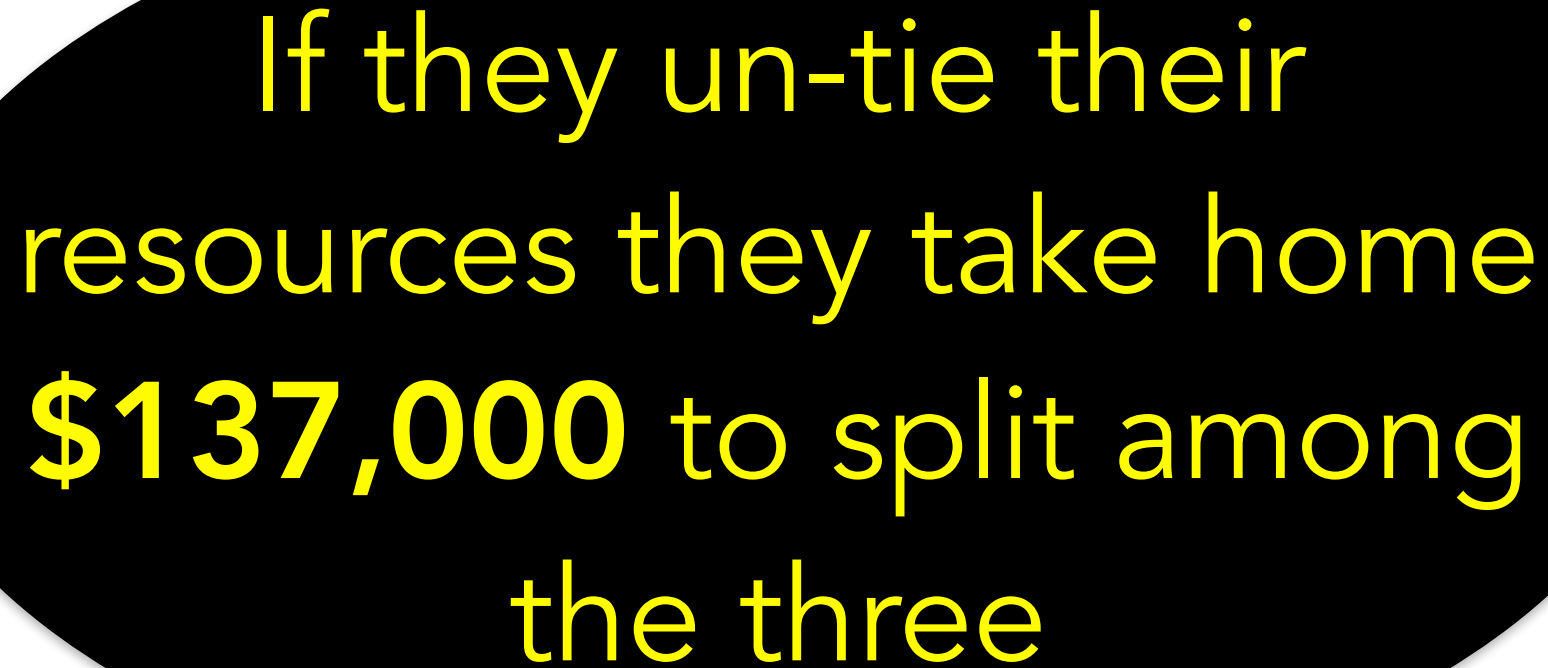


Implicit Costs
\$137,000

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



Owners take home
\$40,000 to split among
the three



If they un-tie their
resources they take home
\$137,000 to split among
the three

$$\text{Accounting Profit} = 140,000 - 100,000 = 40,000$$

Leo's
Time

Winston's
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Land

Implicit Costs
\$137,000

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Accounting Profit= $140,000 - 100,000 = 40,000$

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

Total Revenue = $\$140,000$ Explicit Costs= $100,000$

