









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



Leo's  
Time

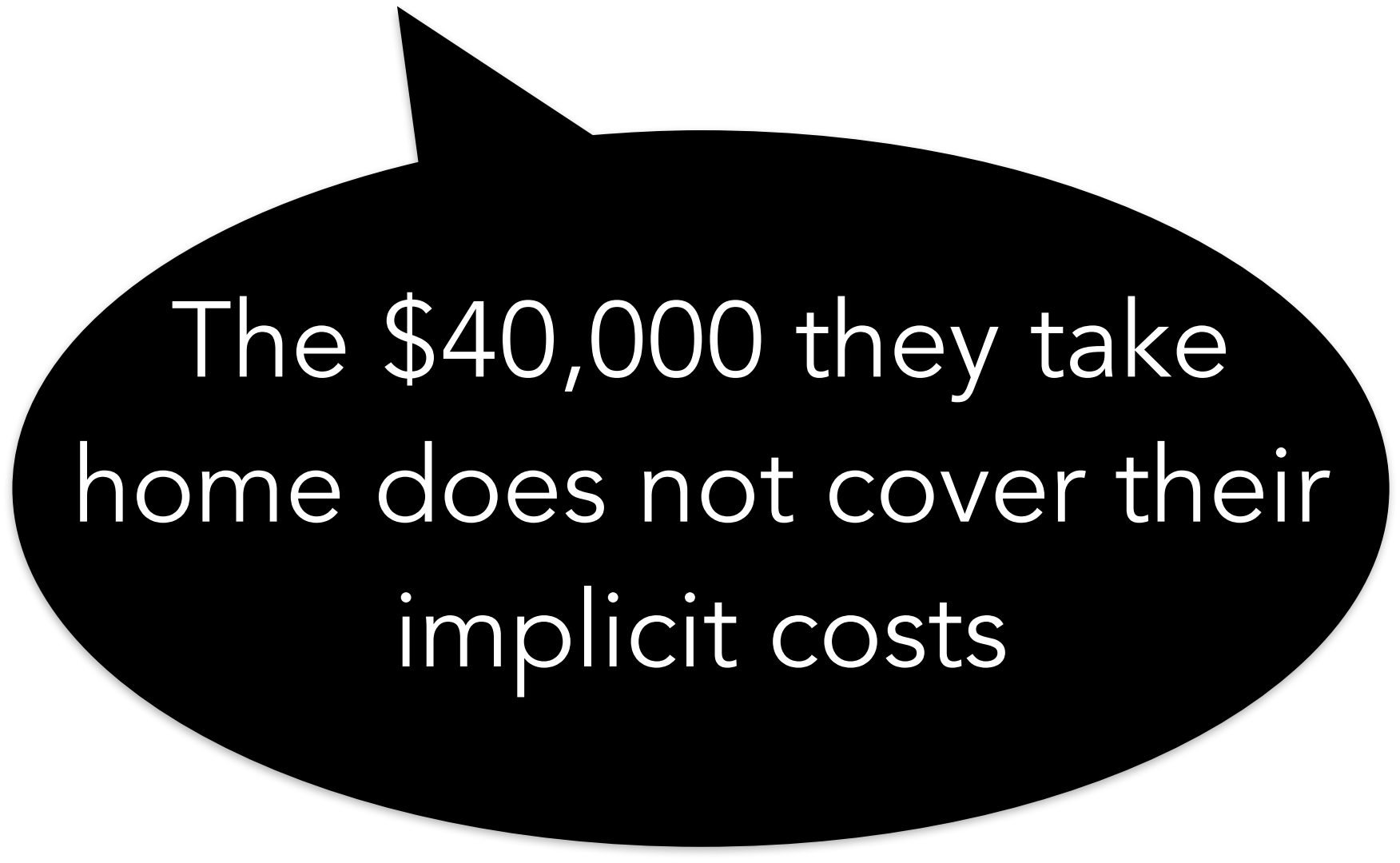
Winston's  
Money

Jose's  
Land

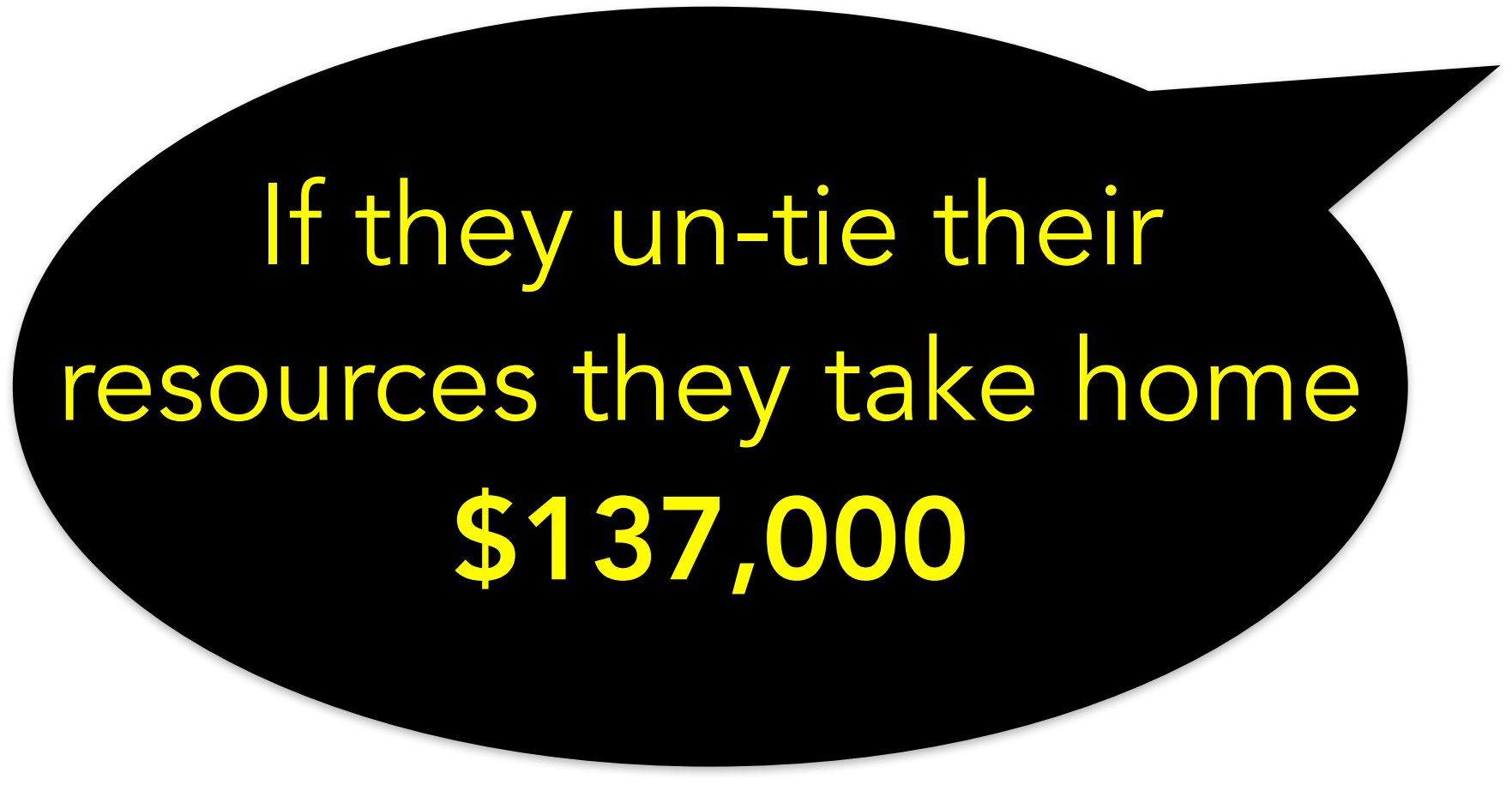


**Implicit Costs**  
**\$137,000**

$$\text{Economic Profit} = 140,000 - 100,000 - 137,000 = -97,000$$



The \$40,000 they take  
home does not cover their  
implicit costs



If they un-tie their  
resources they take home  
**\$137,000**



Economic Profit =  $TR - \text{Explicit Costs} - \text{Implicit Costs}$



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[REDACTED]

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They suffer an Economic Loss = -97,000

Winston's  
Money

The diagram features a central grey downward-pointing arrow with the text 'Implicit Costs \$137,000'. Three colored circles are positioned around the top of the arrow: a yellow circle on the left labeled 'Leo's Time', a green circle at the top labeled 'Winston's Money', and a pink circle on the right labeled 'Jose's Land'. Two black speech bubbles are located below the circles. The left bubble contains the text 'If they un-tie their resources they take home \$137,000'. The right bubble contains the text 'The \$40,000 they take home does not cover their implicit costs'. At the bottom of the image, a black banner contains the text 'They should not stay in business' and 'They suffer an Economic Loss = -97,000'. The background is a blurred image of a gym.

Leo's  
Time

Jose's  
Land

Implicit Costs  
\$137,000

If they un-tie their  
resources they take home  
\$137,000

The \$40,000 they take  
home does not cover their  
implicit costs

They should not stay in business  
They suffer an **Economic Loss = -97,000**



