



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

Greater Than  
Implicit Costs

Same as  
Implicit Costs

Smaller Than  
Implicit Costs

Economic  
Profit is  
Positive


Economic  
Profit is  
Zero

Economic  
Profit is  
Negative





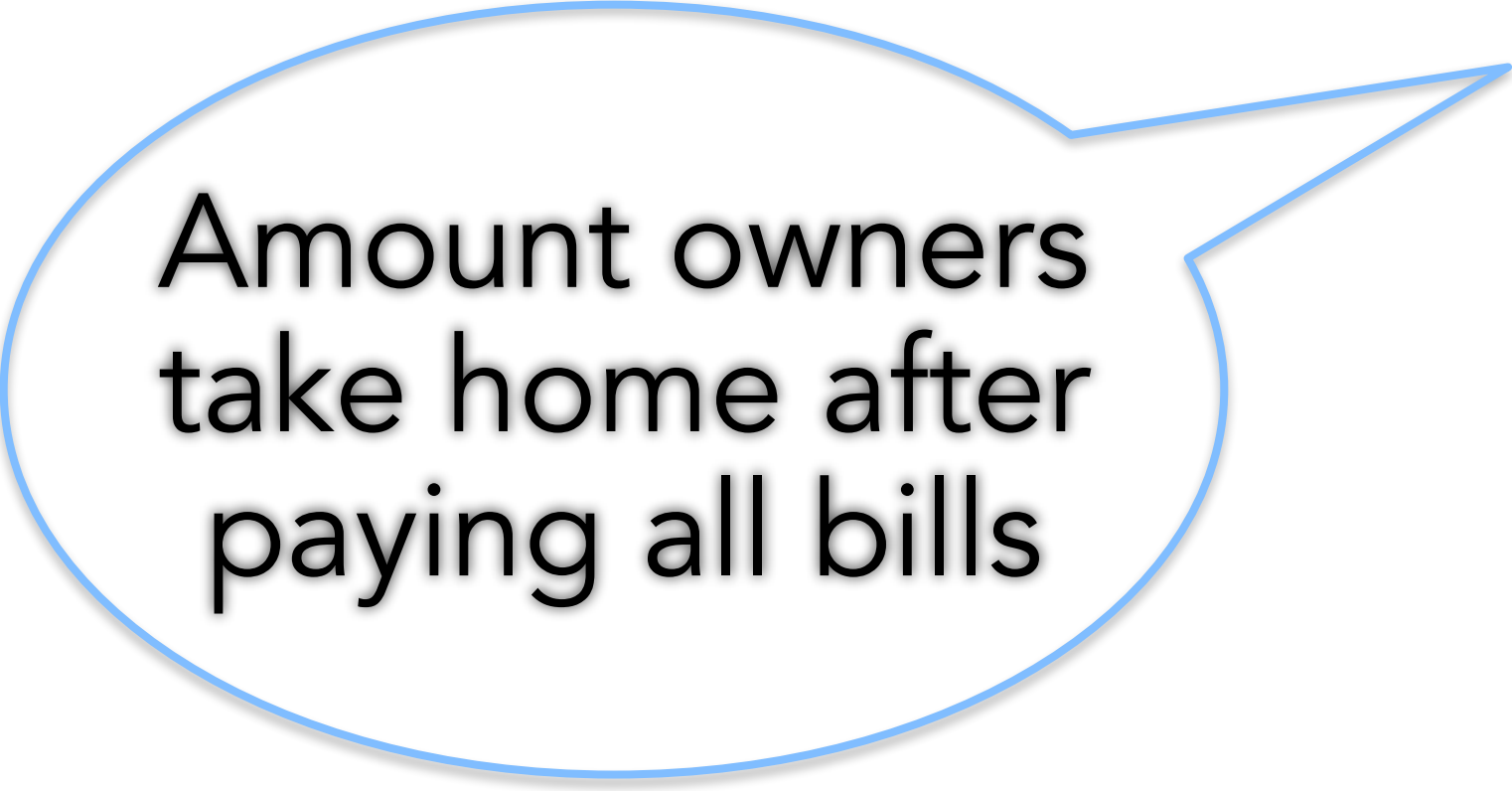
Stay in  
business



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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