









Total Revenue = \$300,000 Explicit Costs = 103,000



Leo's  
Time

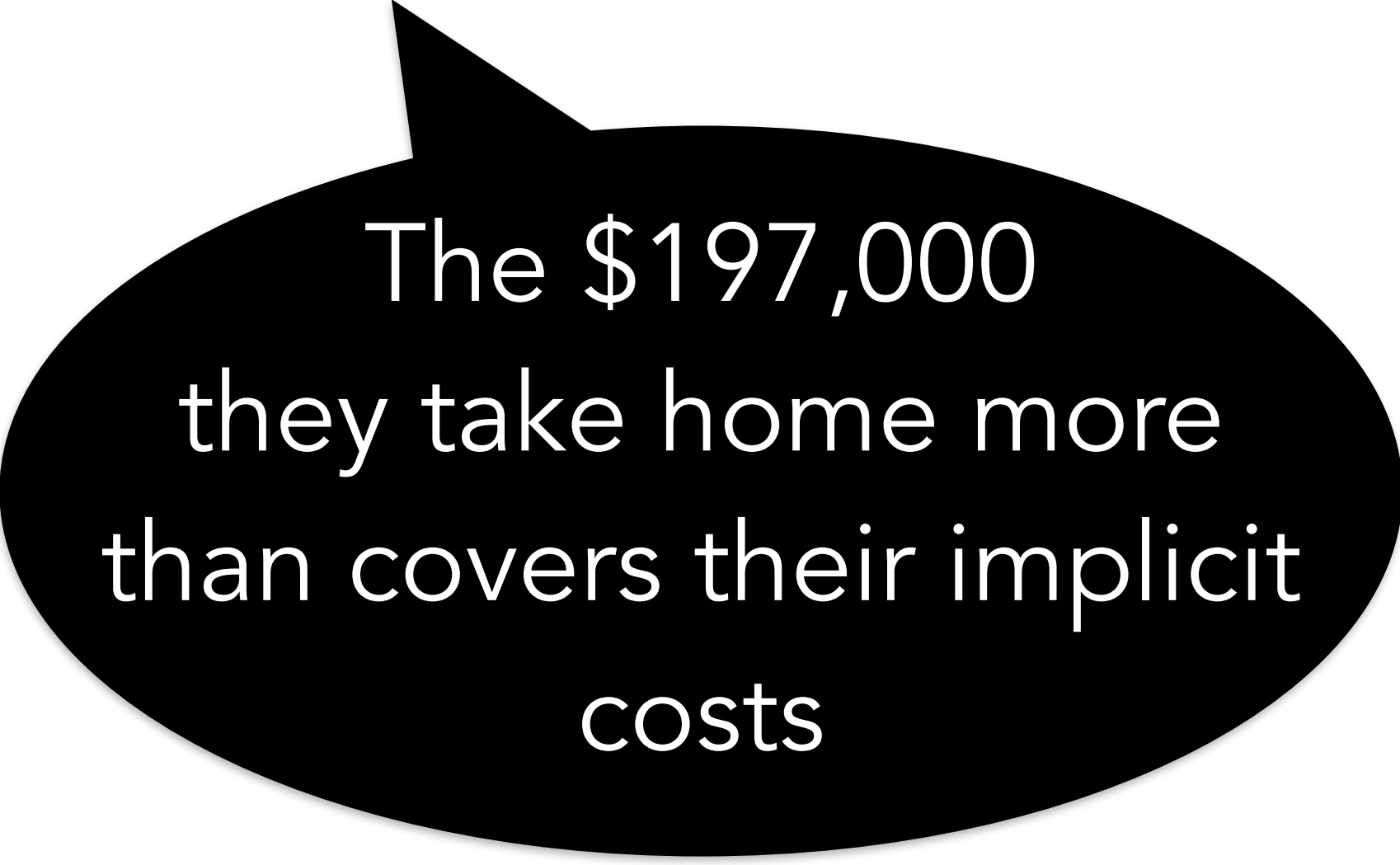
Winston's  
Money

Jose's  
Land

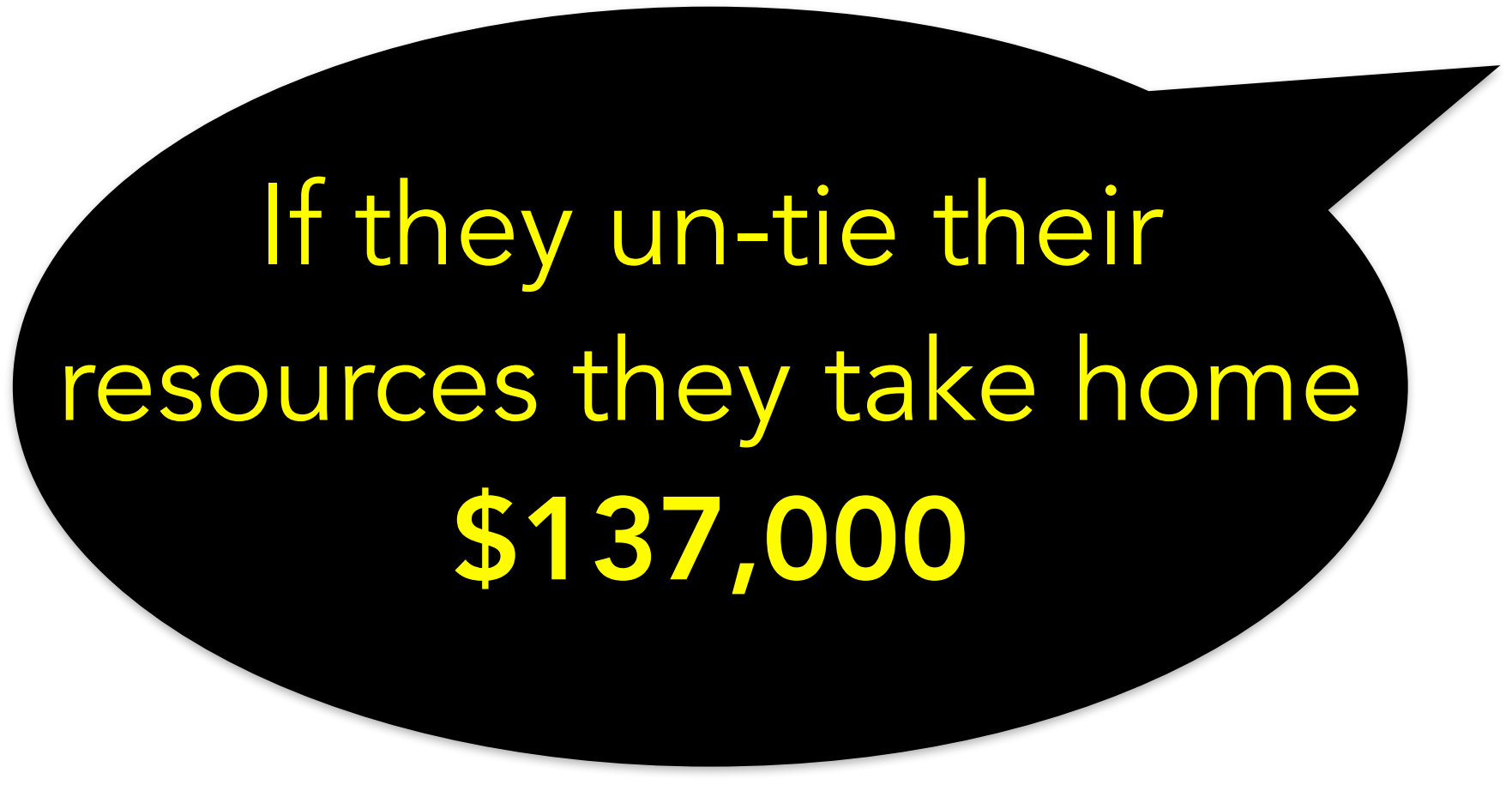


**Implicit Costs**  
**\$137,000**

$$\text{Economic Profit} = 300,000 - 103,000 - 137,000 = 60,000$$



The \$197,000  
they take home more  
than covers their implicit  
costs



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





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Their Economic Profit is \$60,000

Winston's  
Money

The diagram features a central grey downward-pointing arrow with the text 'Implicit Costs \$137,000'. Three colored circles (yellow, green, and pink) are positioned around the top of the arrow, labeled 'Leo's Time', 'Winston's Money', and 'Jose's Land' respectively. Two black speech bubbles point towards the arrow from the left and right, containing text about resource allocation. At the bottom, a black banner contains a concluding statement and the final economic profit value.

Leo's  
Time

Jose's  
Land

Implicit Costs  
\$137,000

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

The \$197,000  
they take home more  
than covers their implicit  
costs

They can never take home this much if they were  
to split their resources: They should definitely  
stay in business

Their **Economic Profit is \$60,000**

Accounting Profit = TR – Explicit Cost