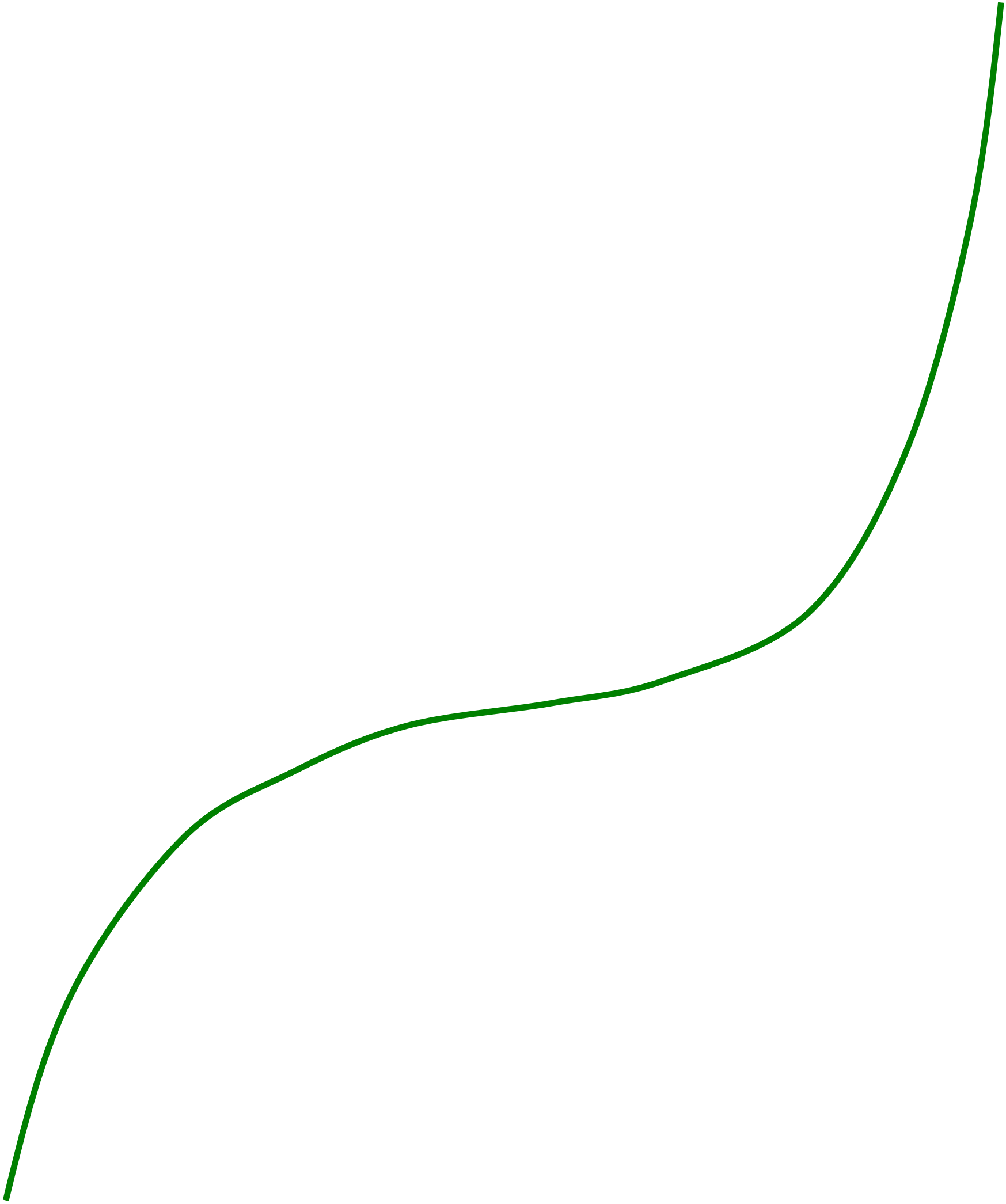


TR


Tc



q *



VC


$$\text{Loss} = \text{FC}$$

FC



TC

> TR = VC









The firm incurs a loss equal to FC: It is indifferent between producing and shutting down in the short run the loss is the same either way = FC

The firm **incurs a loss** equal to FC: It is **indifferent** between producing and shutting down in the short run the loss is the same either way = FC

