



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



Leo's
Time

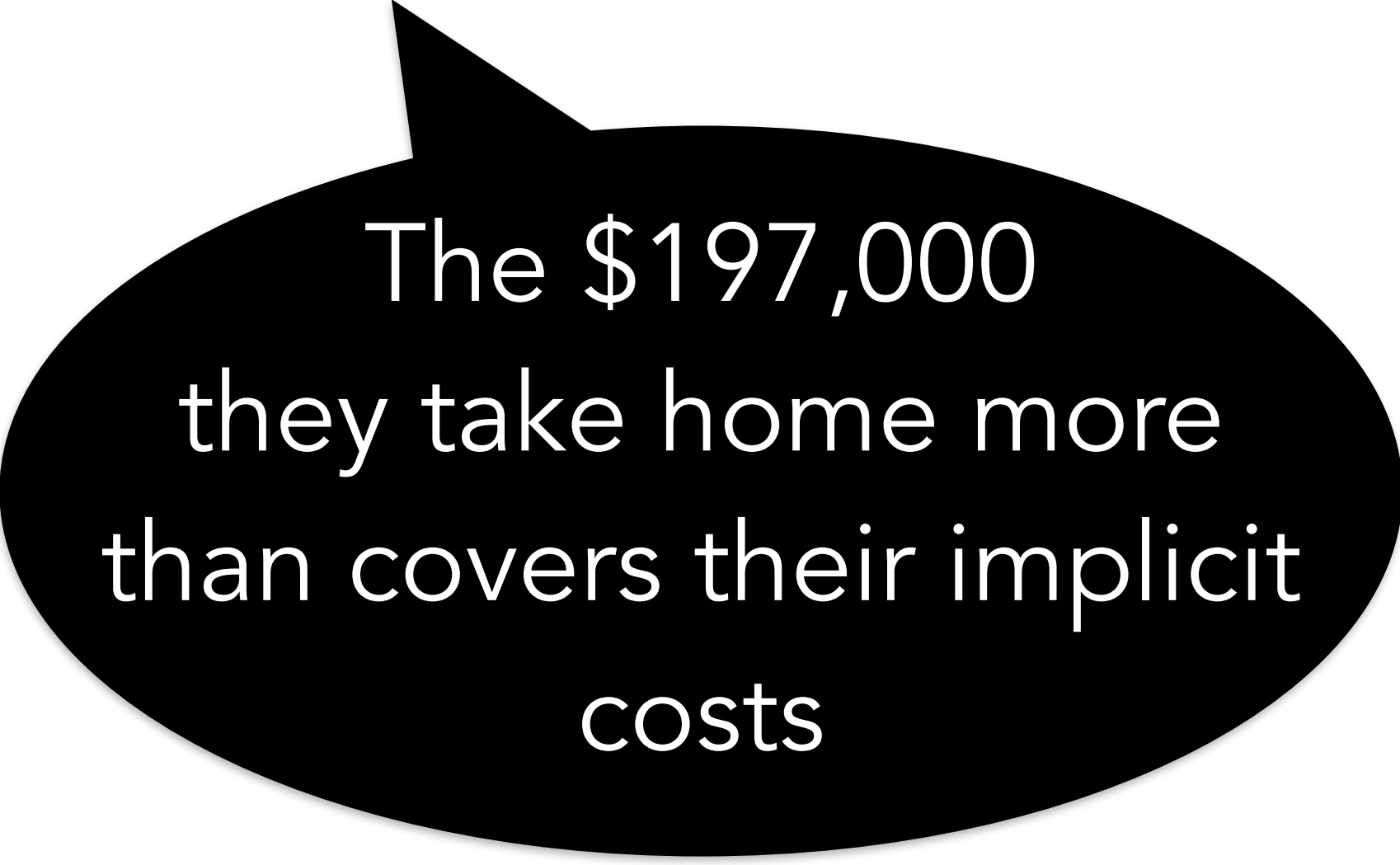
Winston's
Money

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

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