



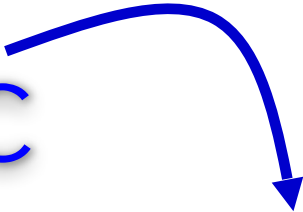


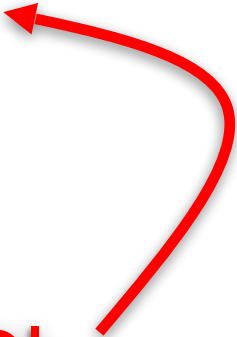


TR

**TC**

Slope = MC





Slope = MR



# Loss





Loss



Loss



q\*



Loss = zero

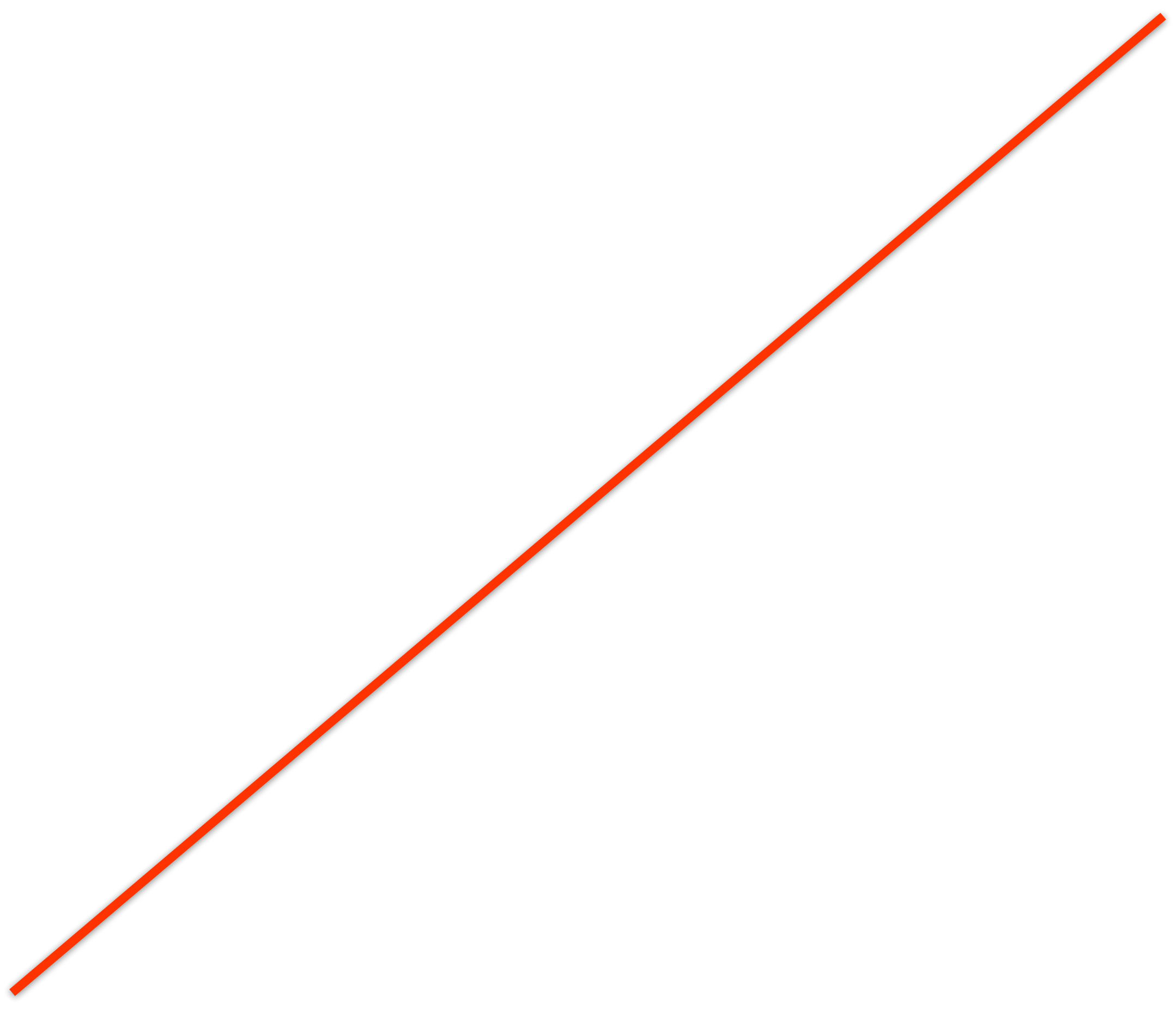
Choosing  $q^*$ , where  $MC = MR$   
minimizes the loss



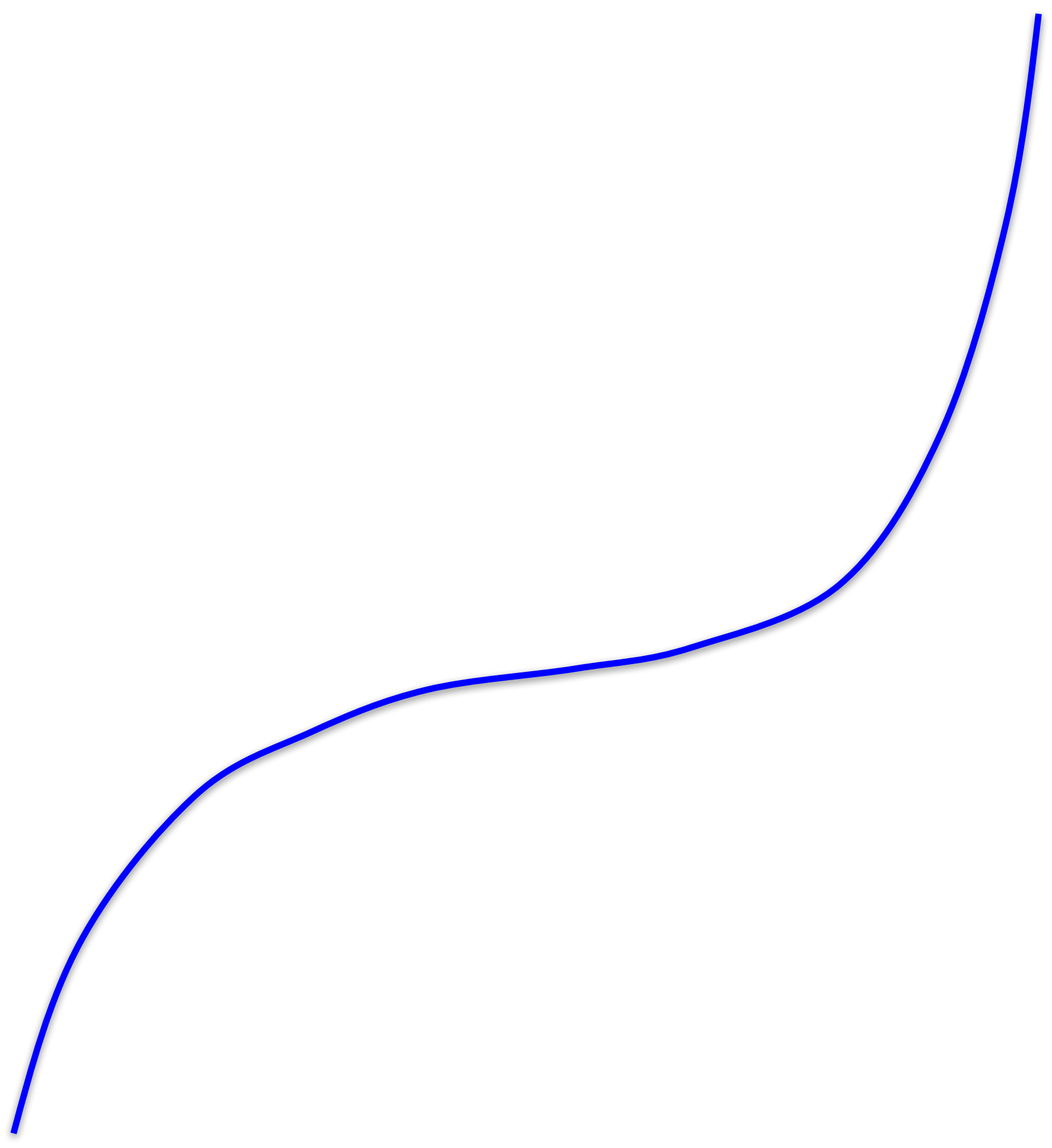
TR

=

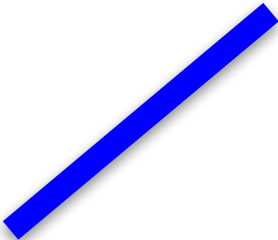
TC

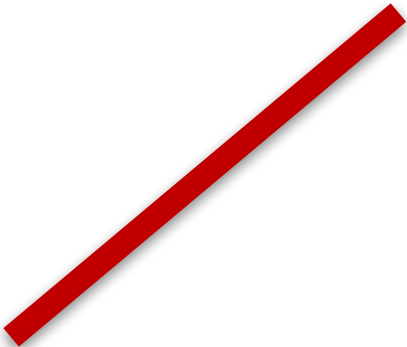






**Loss**





W

h

e

n







h

e

p













S

j











W





h

e









m

m

u

S



C

h







**S**

e



u



p

u









m



n



m





**Z**

e



h

e







**S**

S

A red speech bubble with a white shadow, containing white text. The bubble has a pointed tail at the top right.

When  
Total Revenue  
is too low

Output

TR,TC

When the **price is too low**, the firm must choose output to minimize the loss

When the **price is too low**, the firm must choose output to minimize the loss

When  
Total Revenue  
is too low

