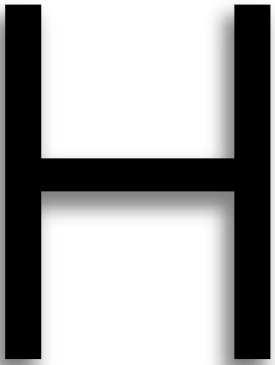

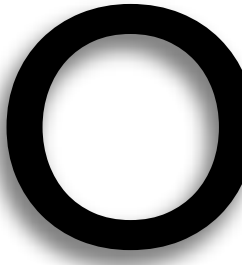

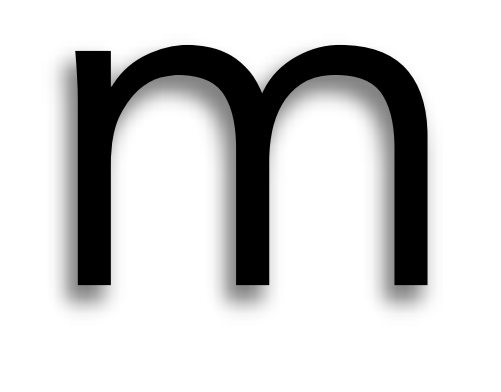

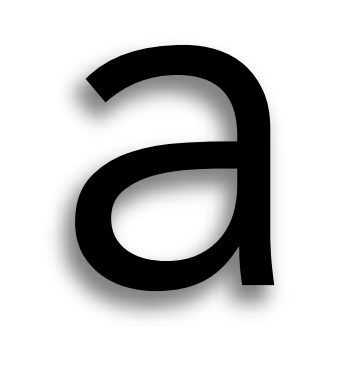
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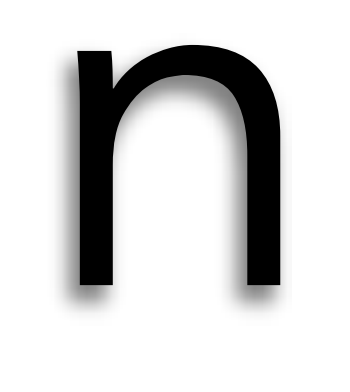

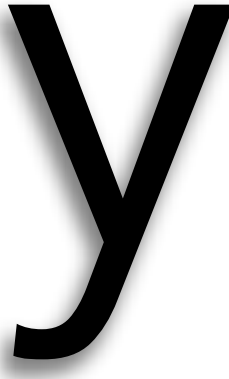

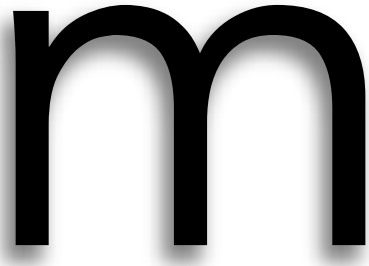

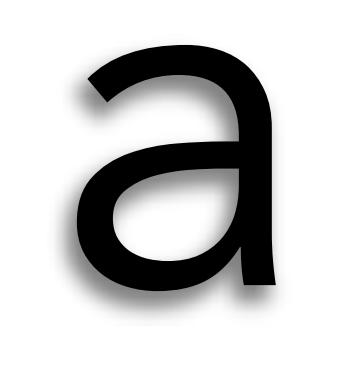
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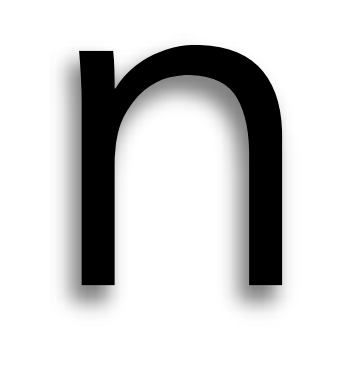
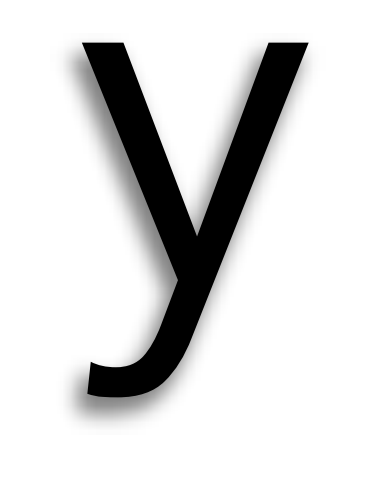
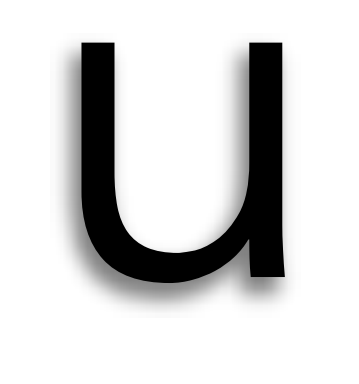
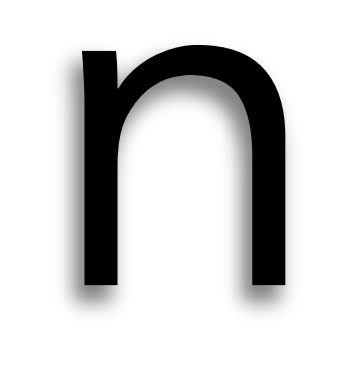
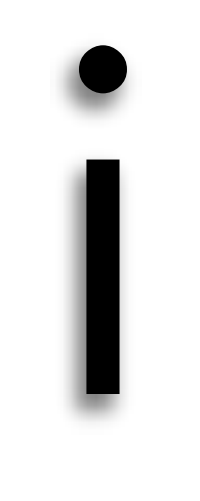
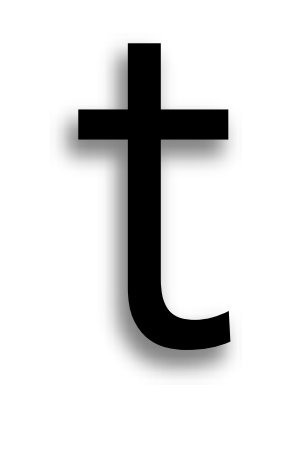


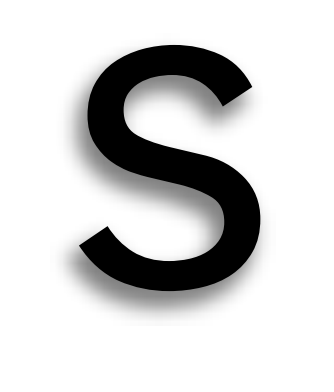


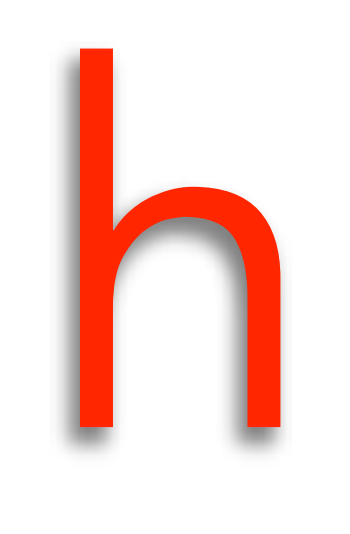


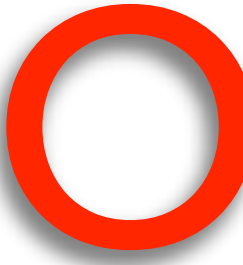


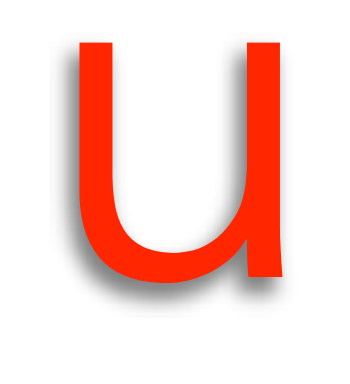


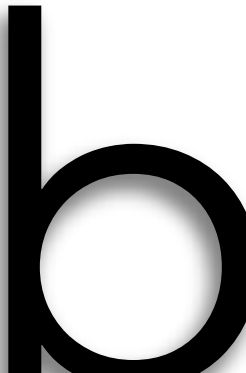


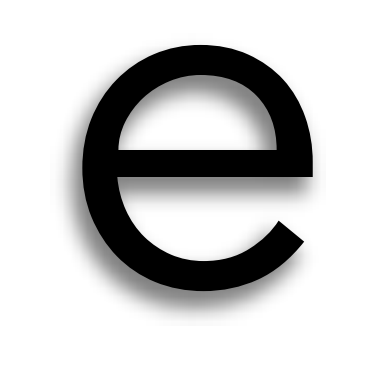


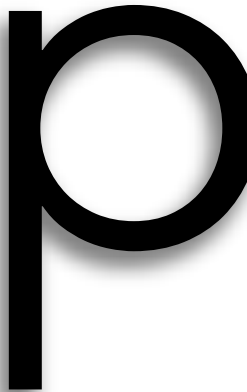


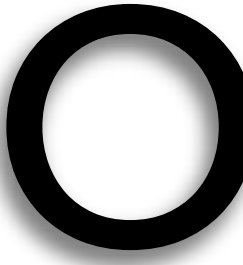


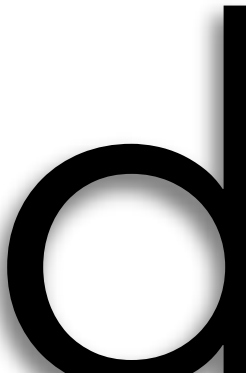


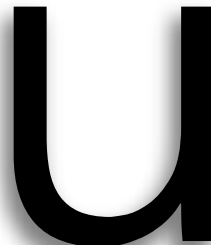


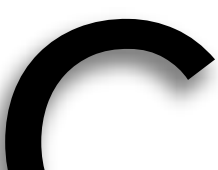


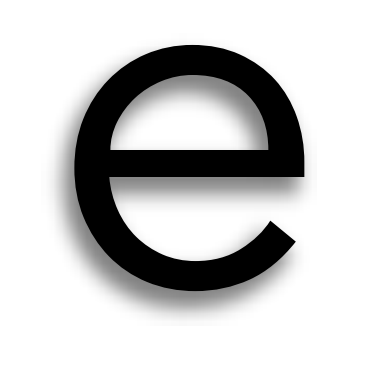


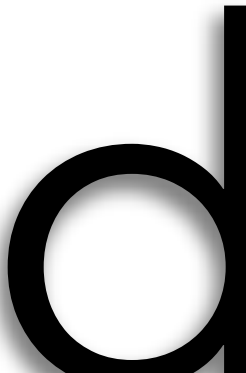


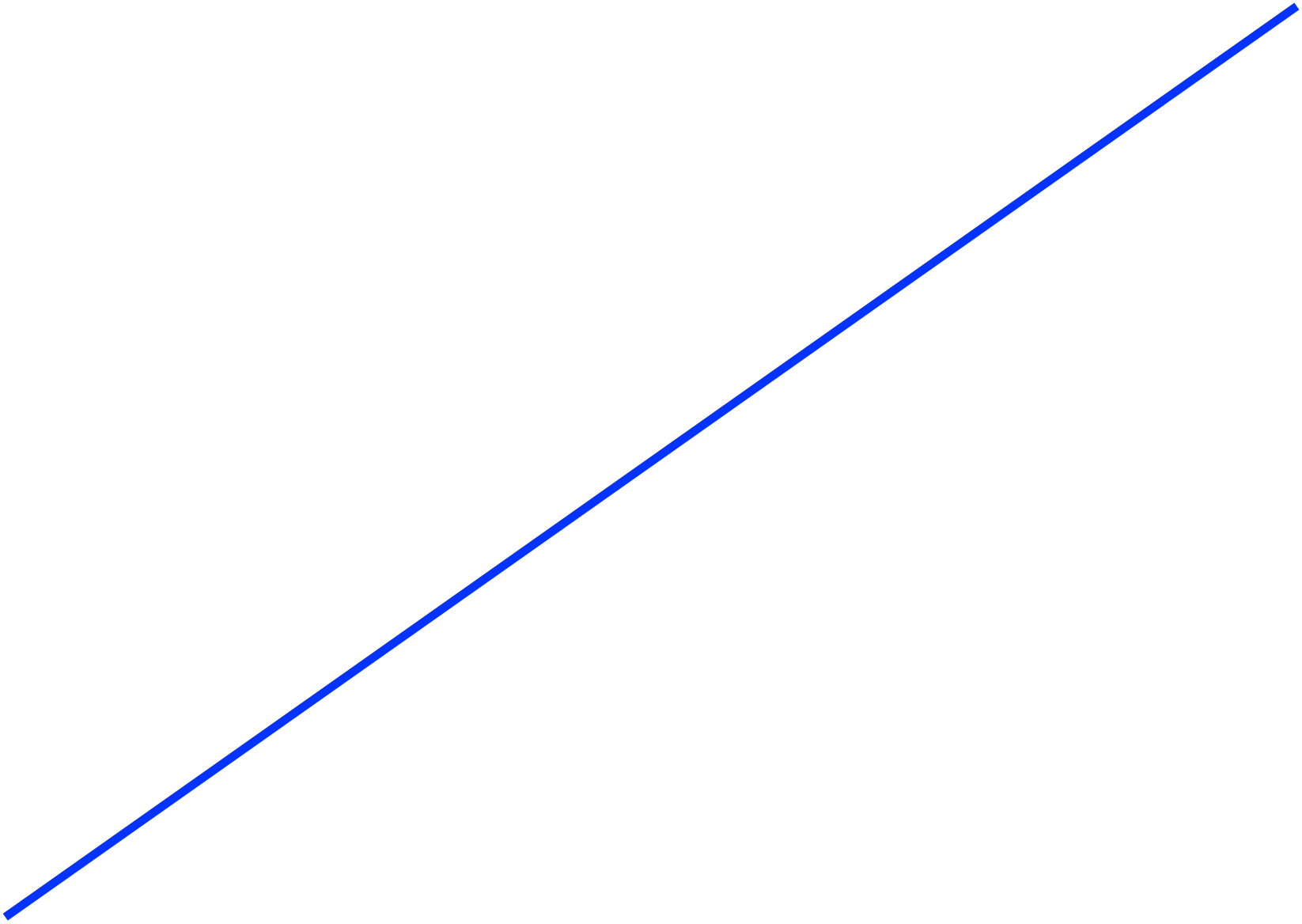




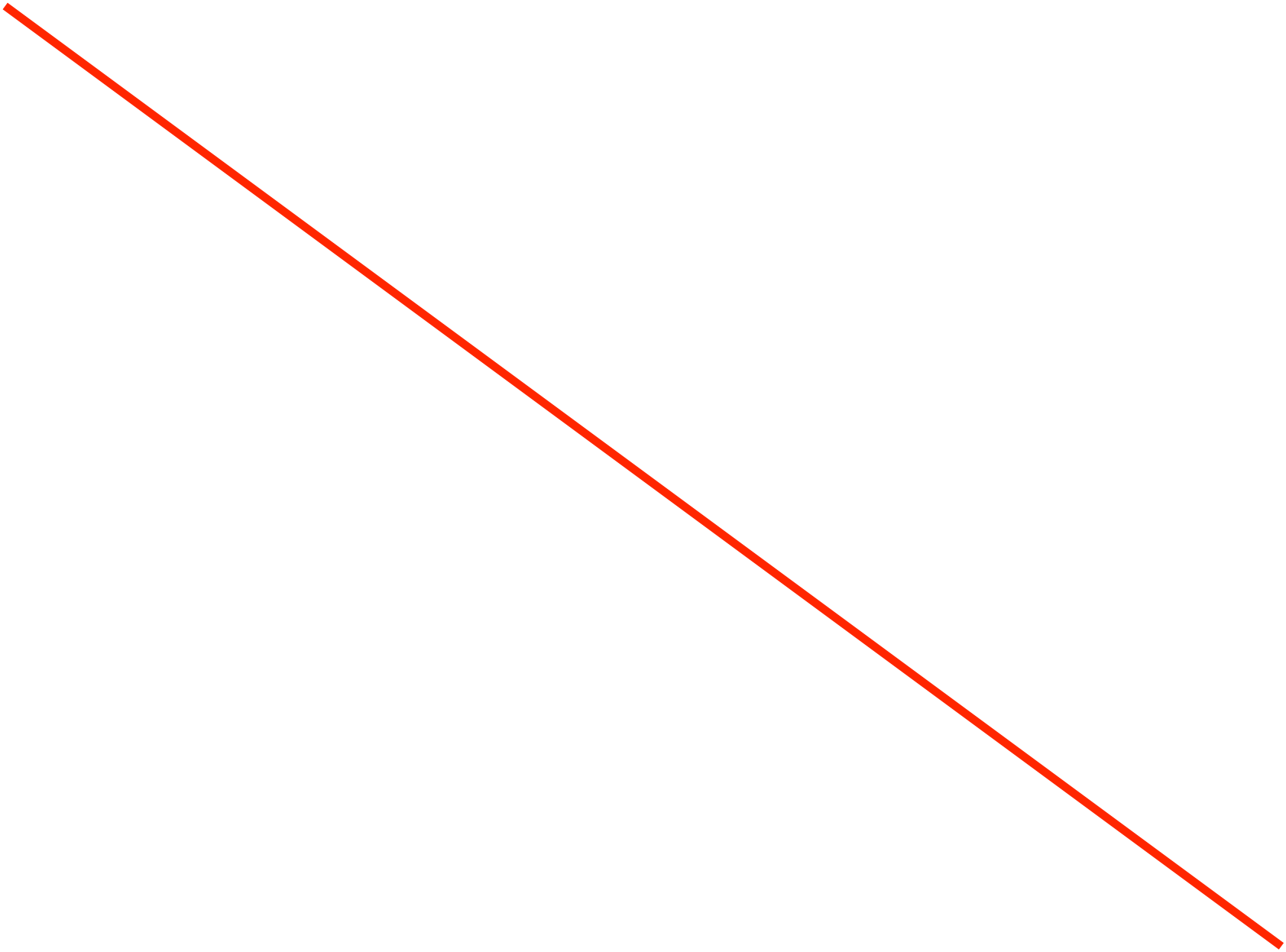








S (cost)



Value to consumer

Greater than

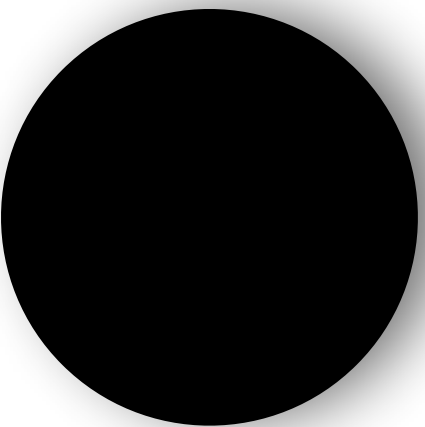
Cost

Cost

Greater than

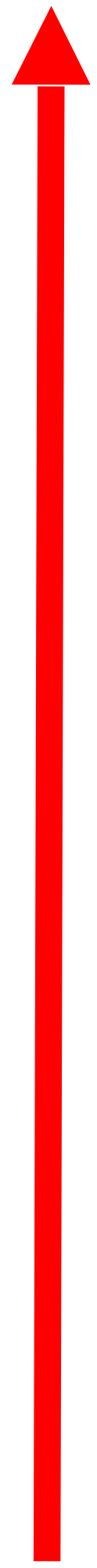
Value to

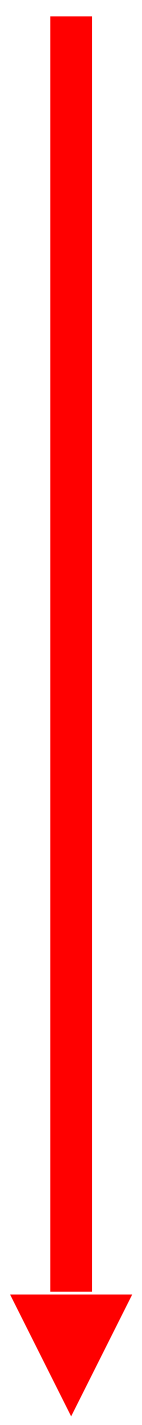
consumer

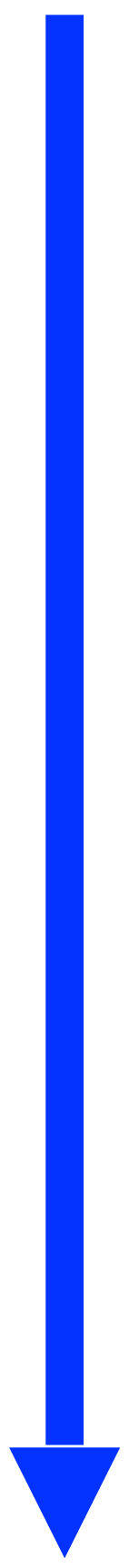


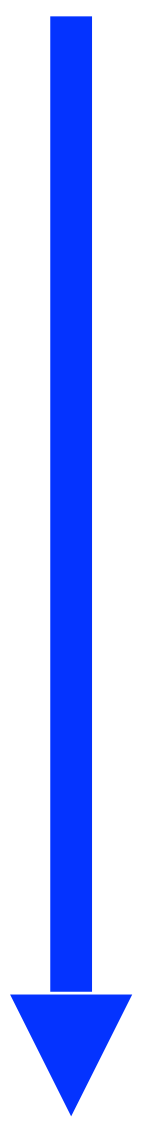
We **should not** produce units consumes do not value enough to pay the cost of producing these units

We **should**
produce all units consumers value
enough to pay the cost of producing
these units









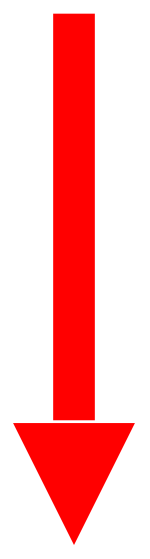
Equilibrium Quantity

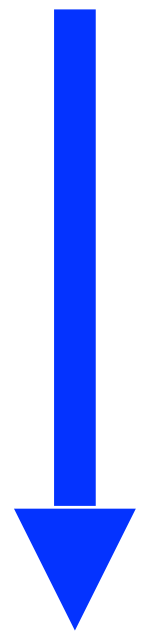
D(value to consumer)

The Optimum Output Level

For these units

For these units



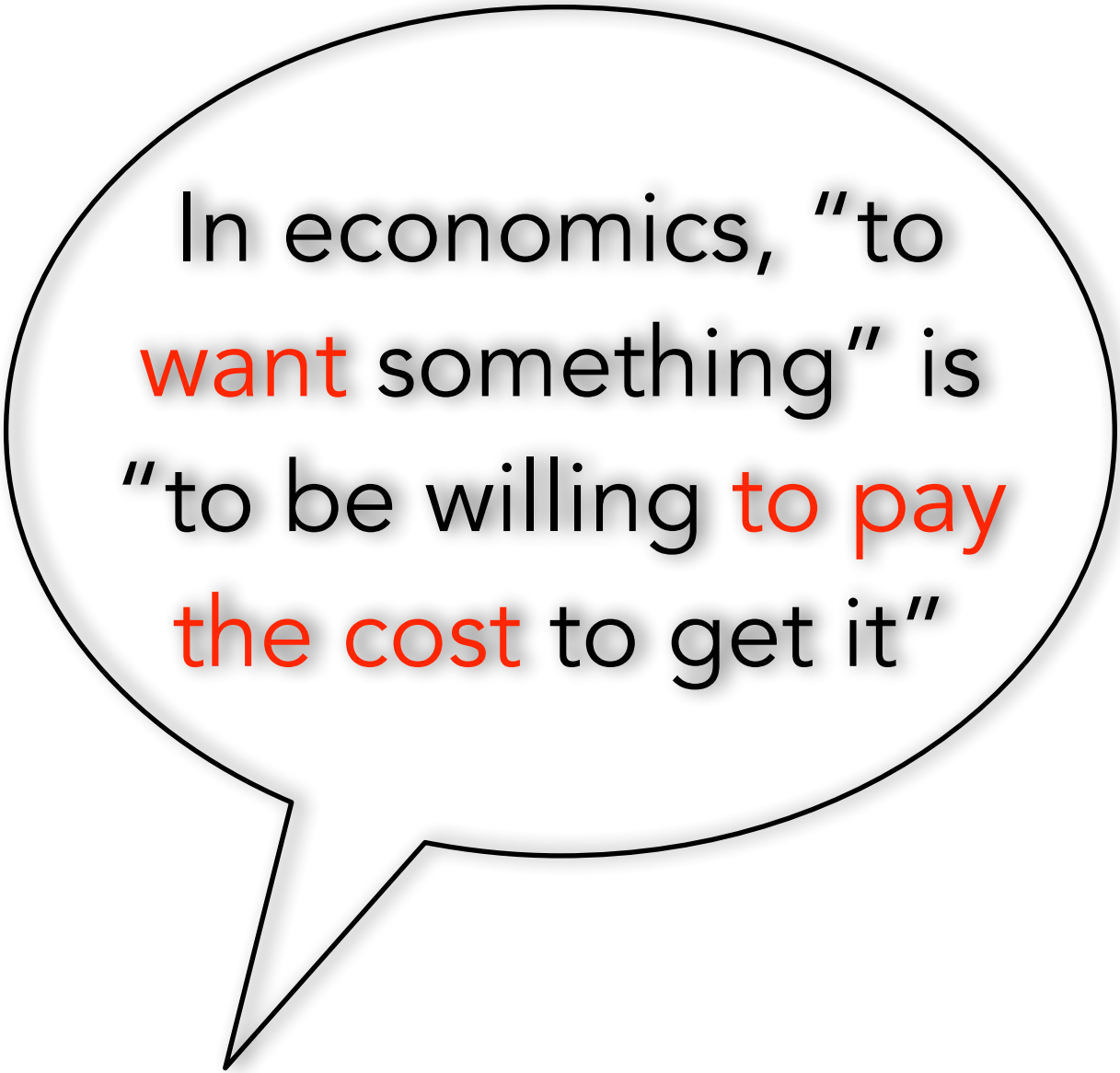


We **should**

produce all units consumers want

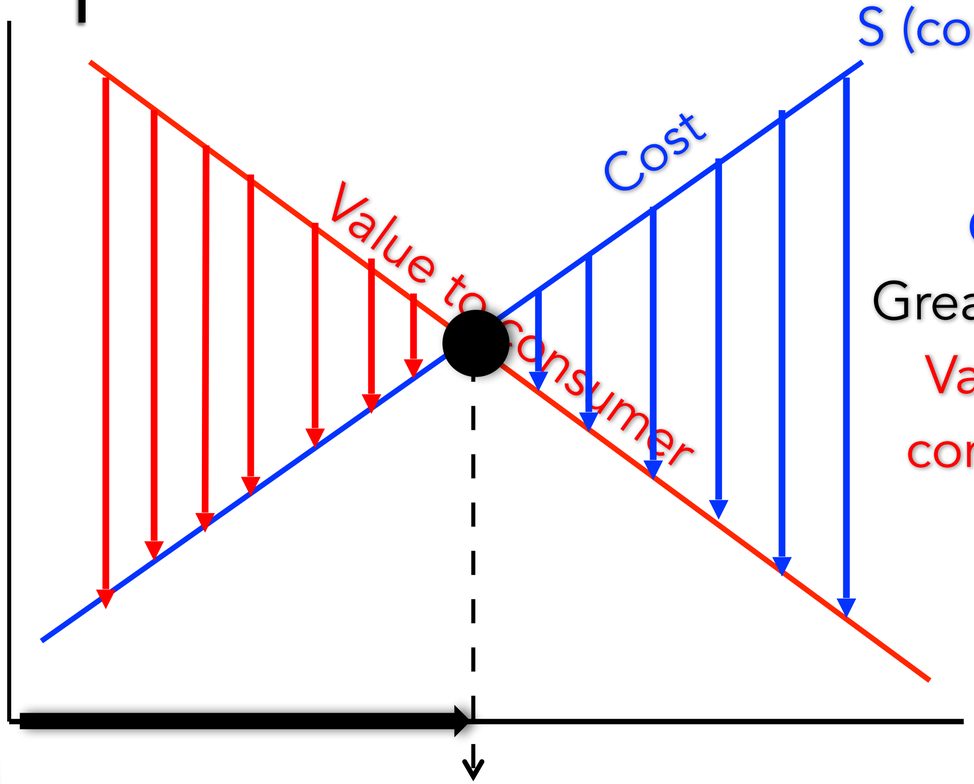
We **should not** produce units consumes do not want

If we produce the equilibrium quantity we would produce only the number of units that consumers want


In economics, "to want something" is "to be willing to pay the cost to get it"

How many many units should be produced?

The Optimum Output Level



Value to consumer Greater than Cost

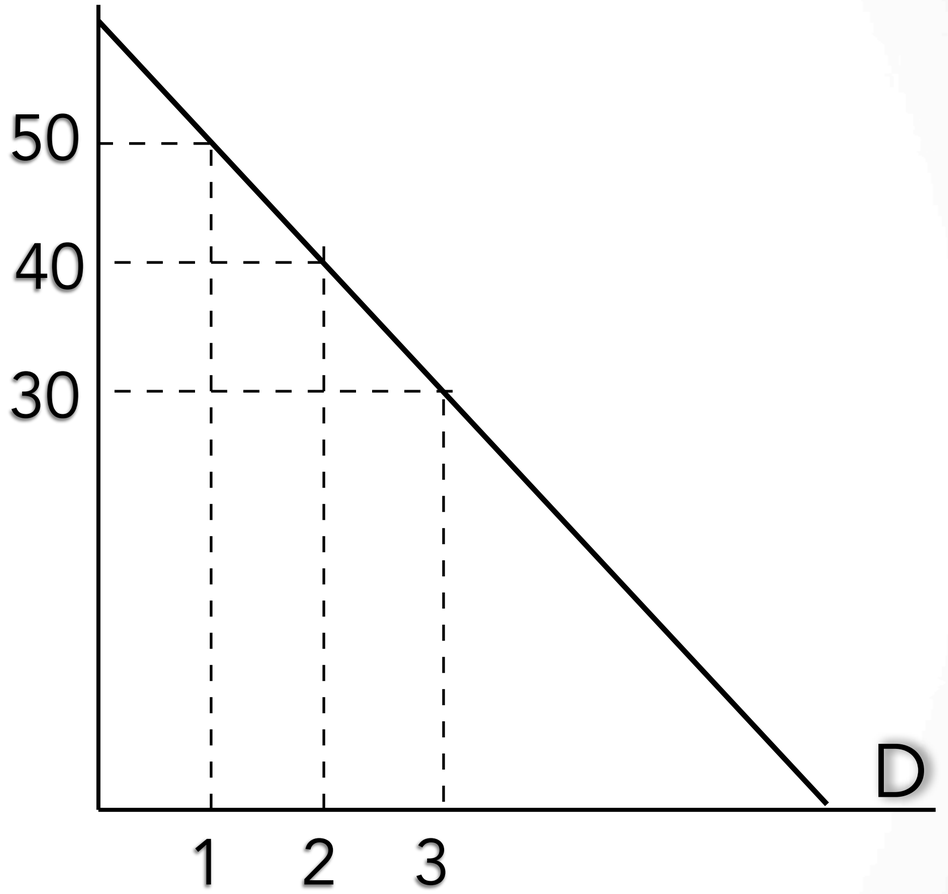
Cost Greater than Value to consumer

In economics, "to want something" is "to be willing to pay the cost to get it"

If we produce the equilibrium quantity we would produce only the number of units that consumers want

We **should** produce all units consumers want

We **should not** produce units consumes do not want


50
40
30
D
1
2
3