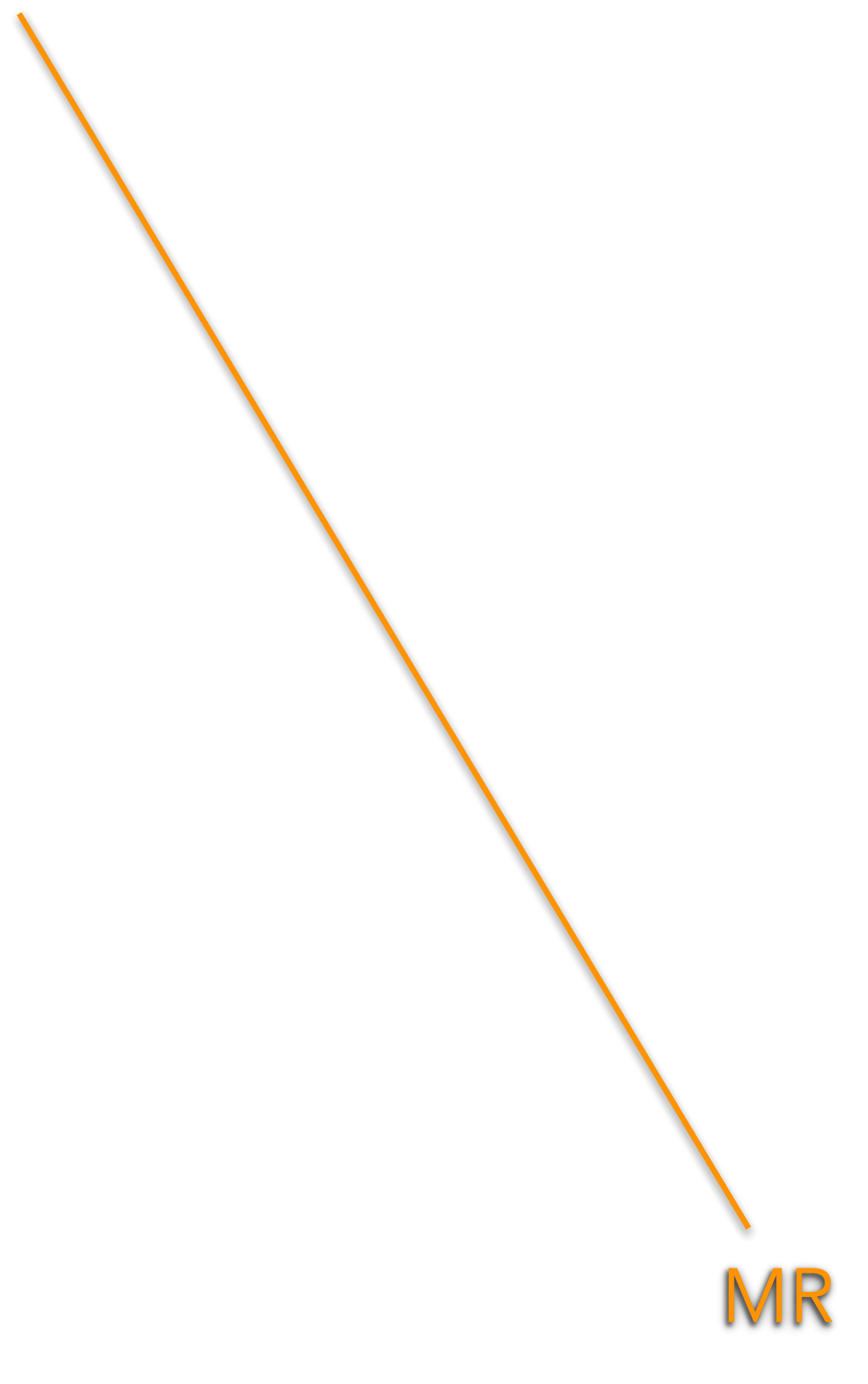
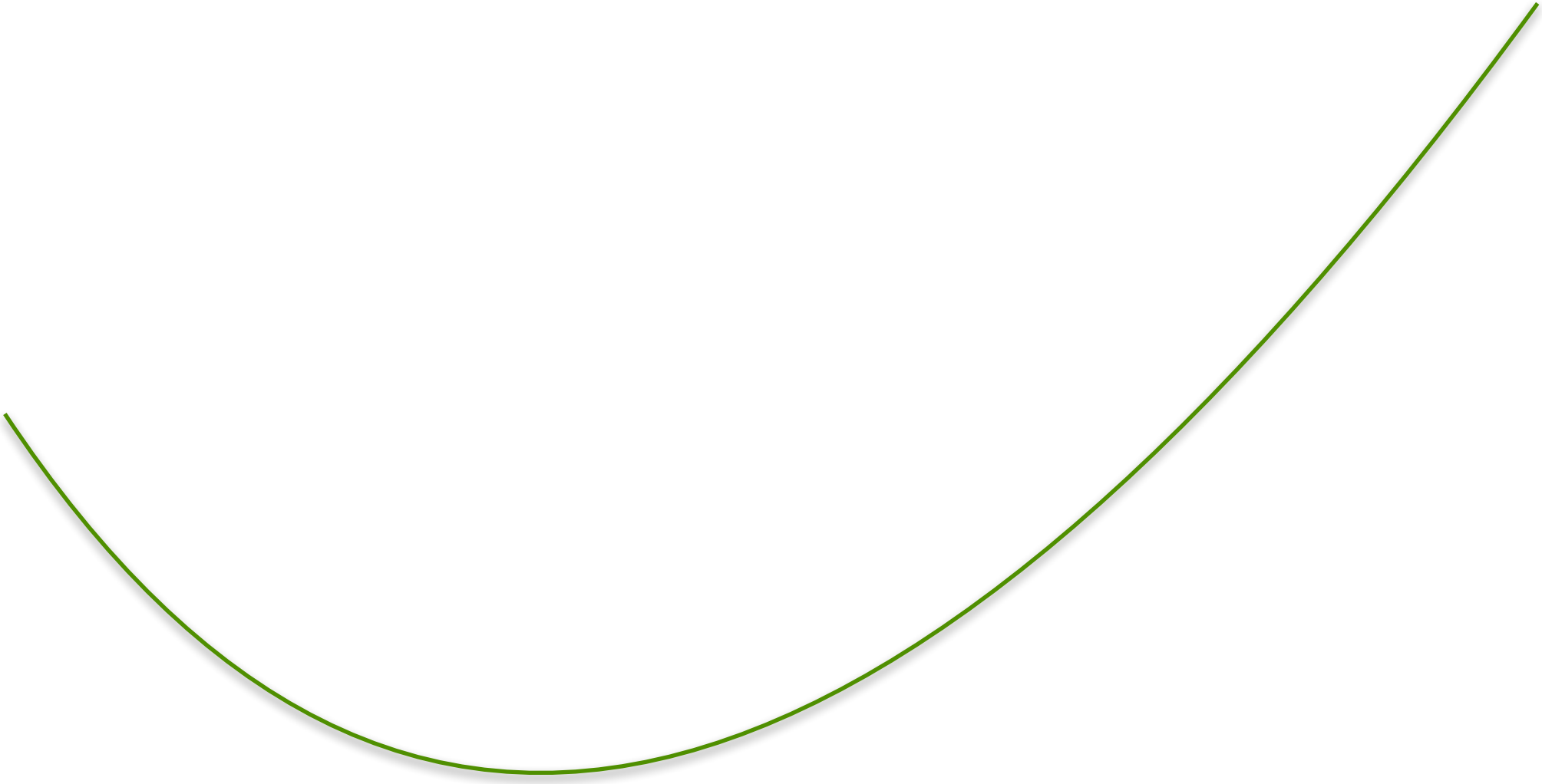
MC


MR

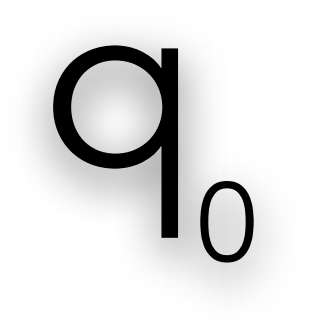


MC

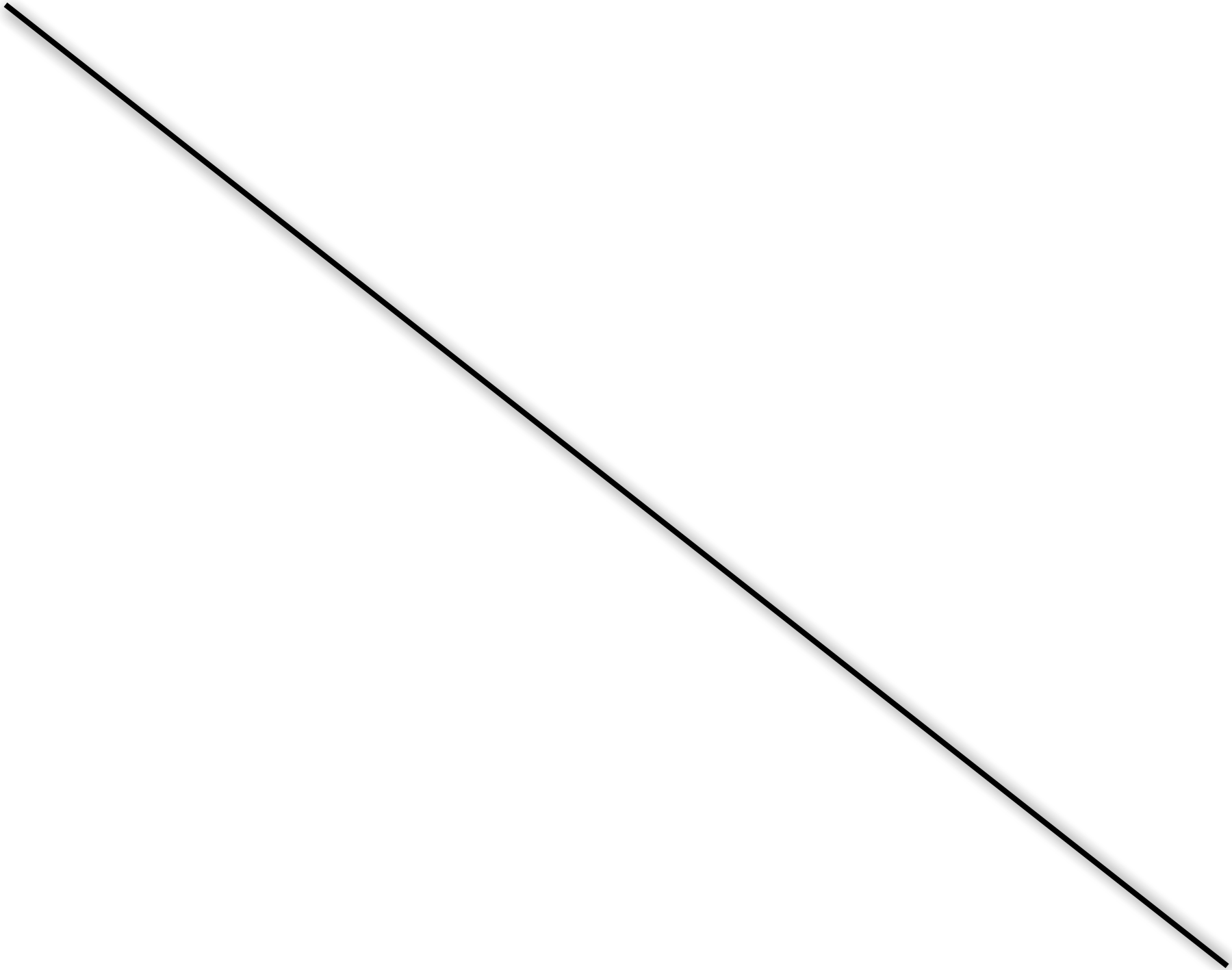
,P

q

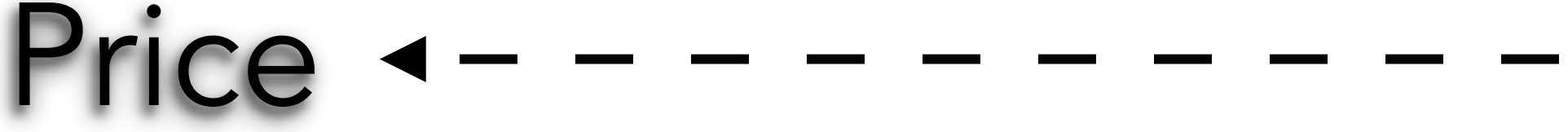
Total Profit is maximum or losses are minimum when MC = MR

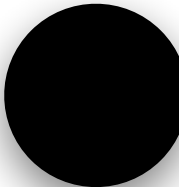

q_0

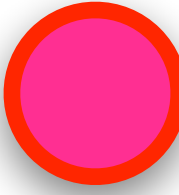
To Maximize Profit, or minimize the loss, the Monopolist must produce q_0



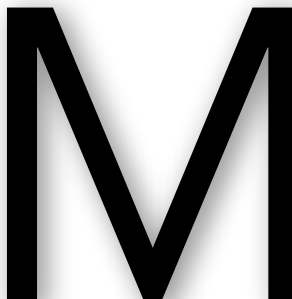
MC = MR

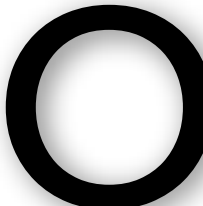

Price

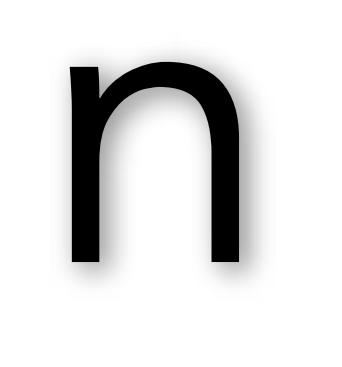




In order to sell q_0 units, the monopolist must charge this price



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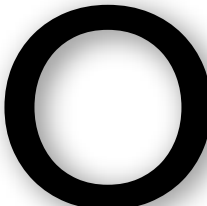

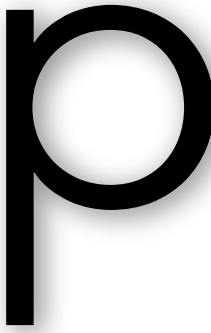

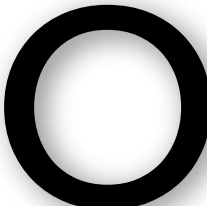

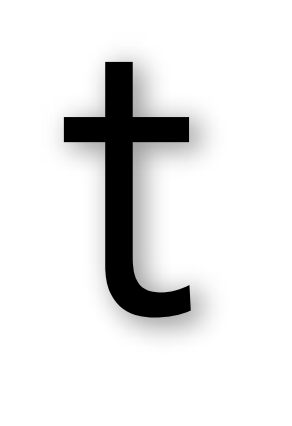

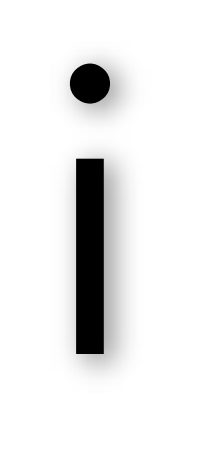

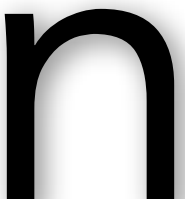

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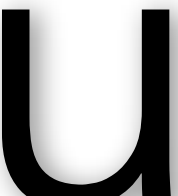

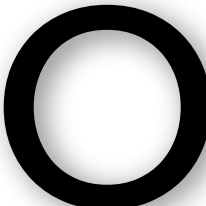

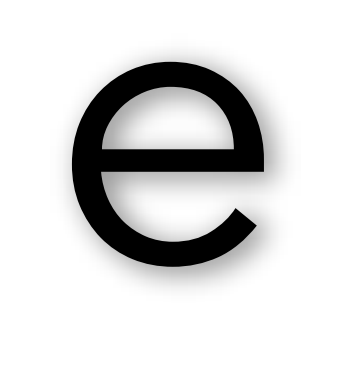

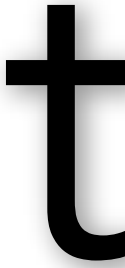

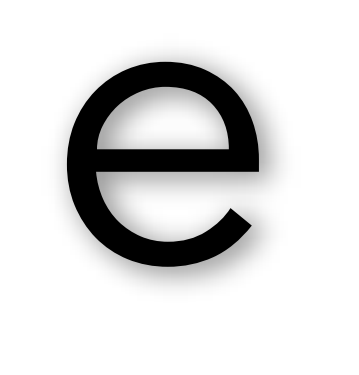

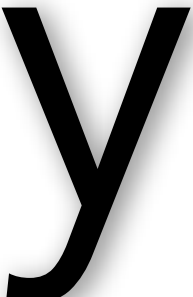

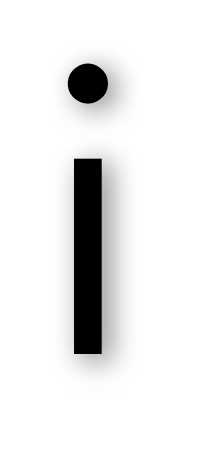

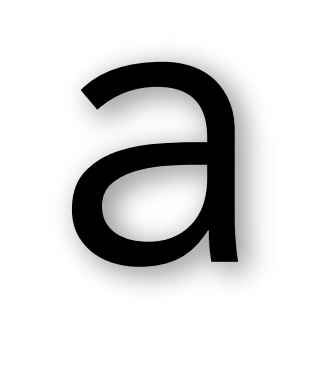
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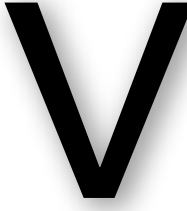

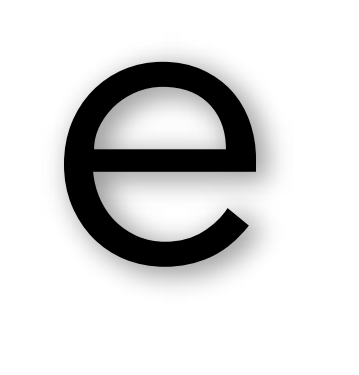

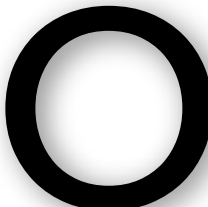

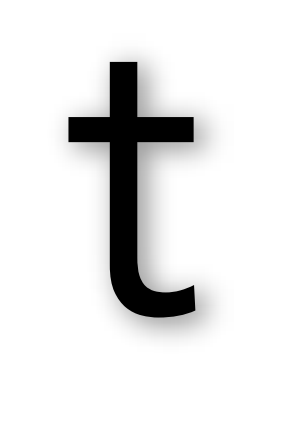

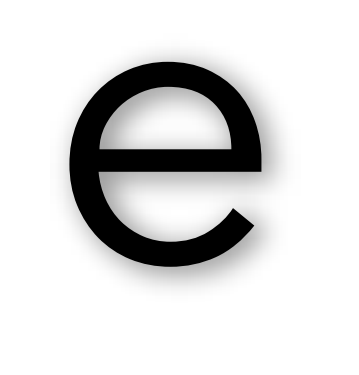

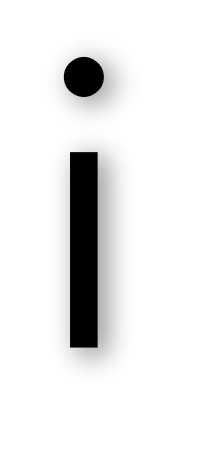

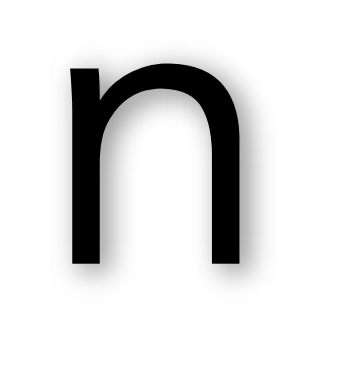
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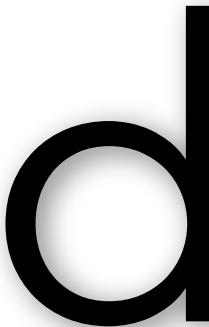

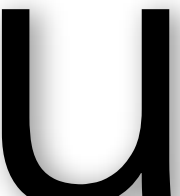

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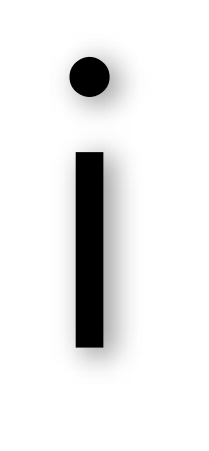

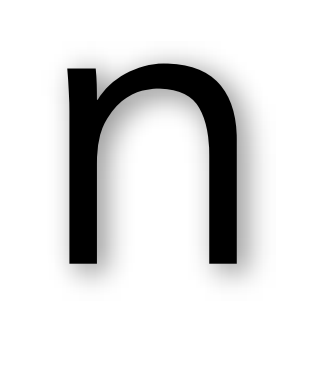

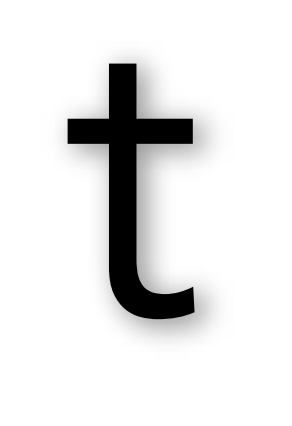

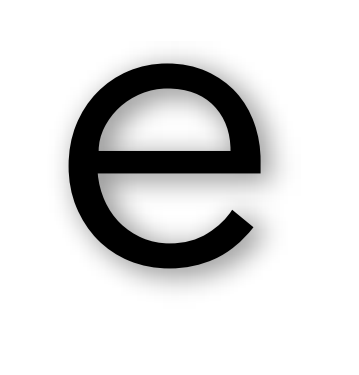

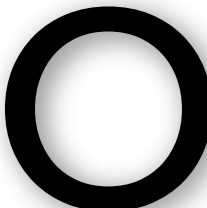

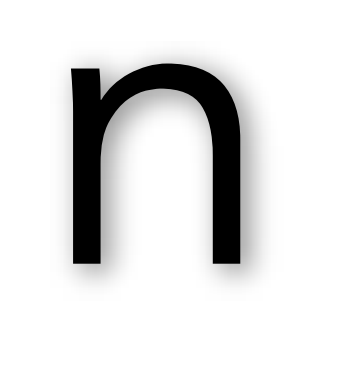
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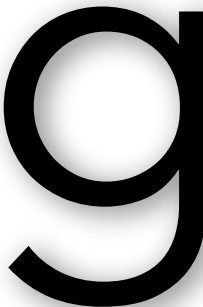
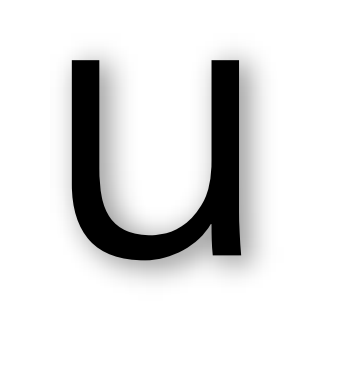
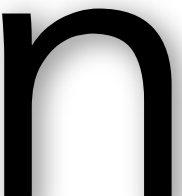
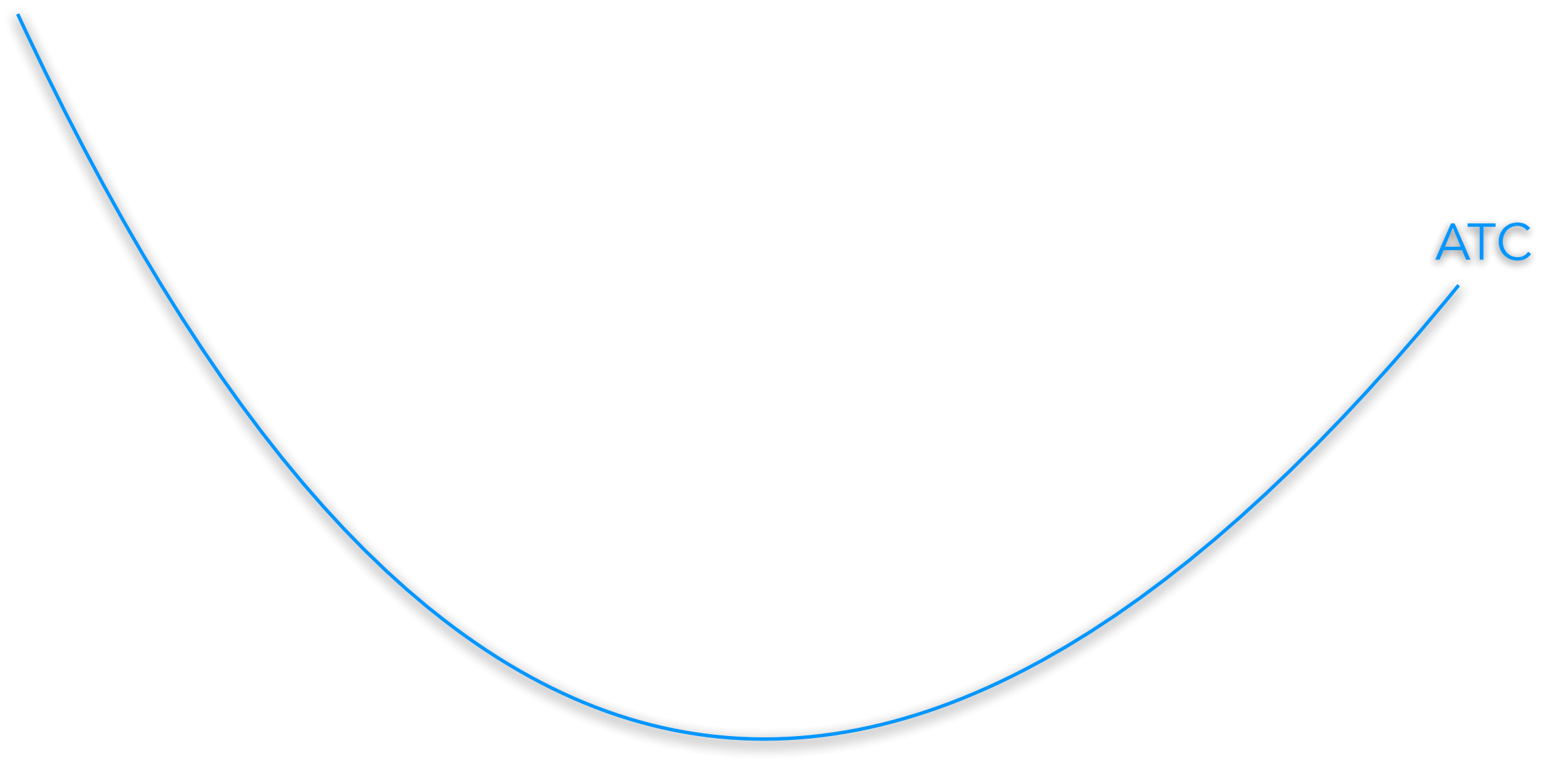




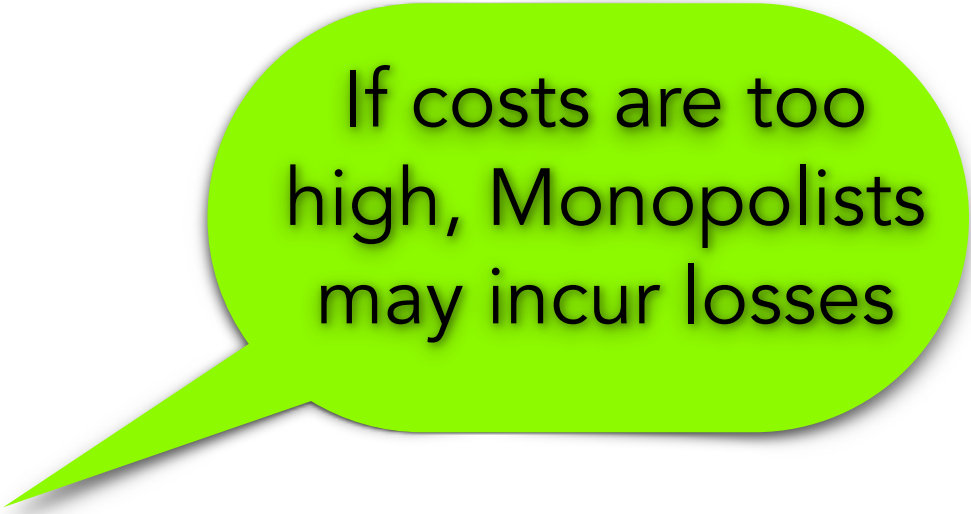



ATC

TC

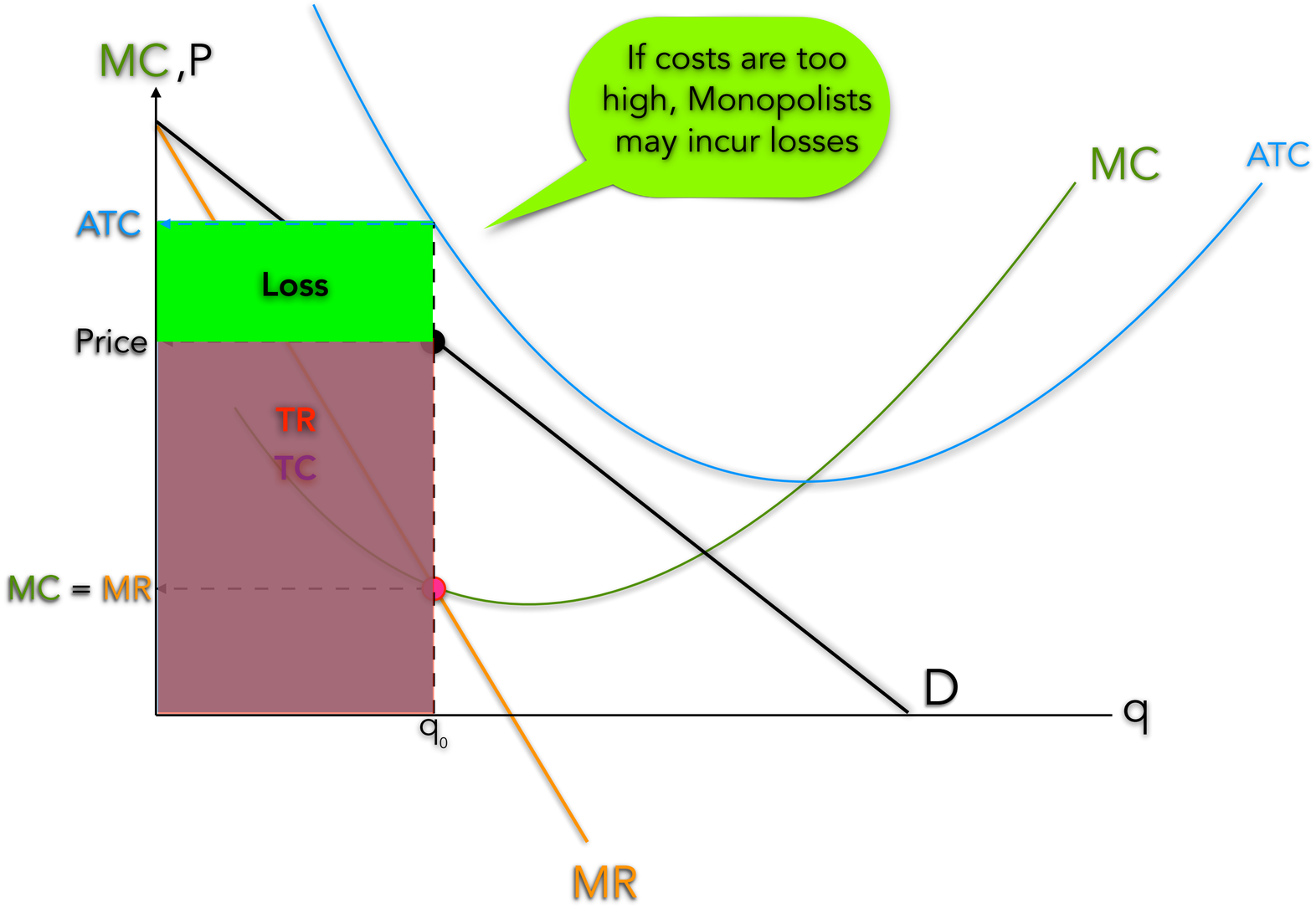
TR

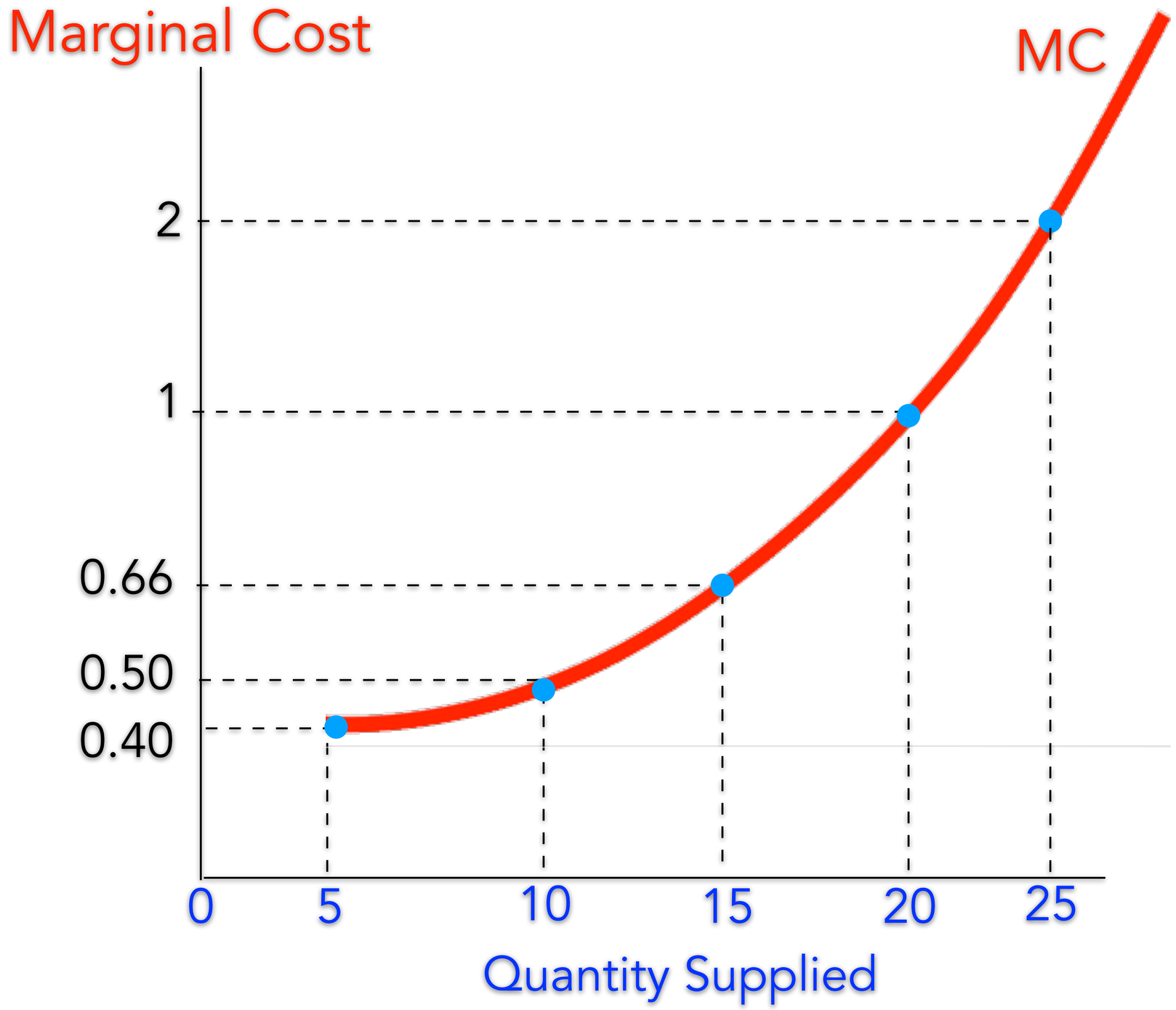
Loss


If costs are too high, Monopolists may incur losses

ATC

If Monopolists incur losses they will have to exit the industry in the long run




Marginal Cost
MC
2
1
0.66
0.50
0.40
0
5
10
15
20
25
Quantity Supplied