



# Total Revenue

0

10

18

24

28

30

30

28

24


18

10

Quantity	Price
0	11
1	10
2	9
3	8
4	7
5	6
6	5
7	4
8	3
9	2
10	1

# Marginal Revenue

$$= \Delta TR / \Delta Q$$



Marginal  
Revenue Drops  
as  $Q$  increase



$\Delta TR = \$10$

# Marginal Revenue

X

X

X

X

X

X

X

X

X





$$\Delta O \equiv 1$$





$$\Delta TR = \$8$$



$$\Delta TR = \$6$$



$$\Delta TR = \$4$$



$$\Delta TR = \$2$$

$$\text{Total Revenue} = \text{Quantity} \times \text{Price}$$



$$\Delta TR = \$0$$





$$\Delta TR = \$-2$$



$$\Delta TR = \$-4$$



$$\Delta TR = \$-6$$



$$\Delta TR = \$-8$$

# Marginal Revenue

$$10/1 = 10$$

$$8/1 = 8$$

$$6/1 = 6$$

$$4/1 = 4$$

$$2/1 = 2$$

$$0/1 = 0$$

$$-2/1 = -2$$

$$-4/1 = -4$$

$$-6/1 = -6$$

$$-8/1 = -8$$



Marginal Revenue  
becomes negative

$$\Delta O \equiv 1$$



$$\Delta O \equiv 1$$





$$\Delta O \equiv 1$$



$$\Delta O \equiv 1$$



$\Delta O$

$\equiv$

1



$$\Delta O \equiv 1$$



$$\Delta\Omega = 1$$



$$\Delta O \equiv 1$$



$$\Delta O \equiv 1$$



Price greater than MR

Price greater than MR

Price greater than MR

Price greater than MR

Price greater than MR

Price greater than MR

Price greater than MR

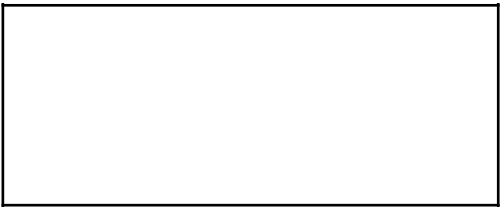
Price greater than MR

Price greater than MR



When **TR** is  
**maximum,  $MR = 0$**

# Marginal Revenue



# Marginal Revenue

--

$$10/1 = 10$$

# Marginal Revenue

$$10/1 = 10$$

$$8 \div 1 = 8$$

# Marginal Revenue

$$10/1 = 10$$

$$8/1 = 8$$



$$6 / 1 = 6$$

# Marginal Revenue

$$10/1 = 10$$

$$8/1 = 8$$

$$6/1 = 6$$

$$4 \div 1 = 4$$

# Marginal Revenue

$$10/1 = 10$$

$$8/1 = 8$$

$$6/1 = 6$$

$$4/1 = 4$$

$$2/1 = 2$$

# Marginal Revenue

$$10/1 = 10$$

$$8/1 = 8$$

$$6/1 = 6$$

$$4/1 = 4$$

$$2/1 = 2$$

$$0/1 = 0$$

# Marginal Revenue

$$10/1 = 10$$

$$8/1 = 8$$

$$6/1 = 6$$

$$4/1 = 4$$

$$2/1 = 2$$

$$0/1 = 0$$



$$-2/1 = -2$$

# Marginal Revenue

$$10/1 = 10$$

$$8/1 = 8$$

$$6/1 = 6$$

$$4/1 = 4$$

$$2/1 = 2$$

$$0/1 = 0$$

$$-2/1 = -2$$

$$-4 \div 1 = -4$$

# Marginal Revenue

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# Marginal Revenue

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$$2/1 = 2$$

$$0/1 = 0$$

$$-2/1 = -2$$

$$-4/1 = -4$$

$$-6/1 = -6$$

$$-8/1 = -8$$



Total Revenue =  
Quantity x Price

Marginal Revenue  
=  $\Delta TR / \Delta Q$

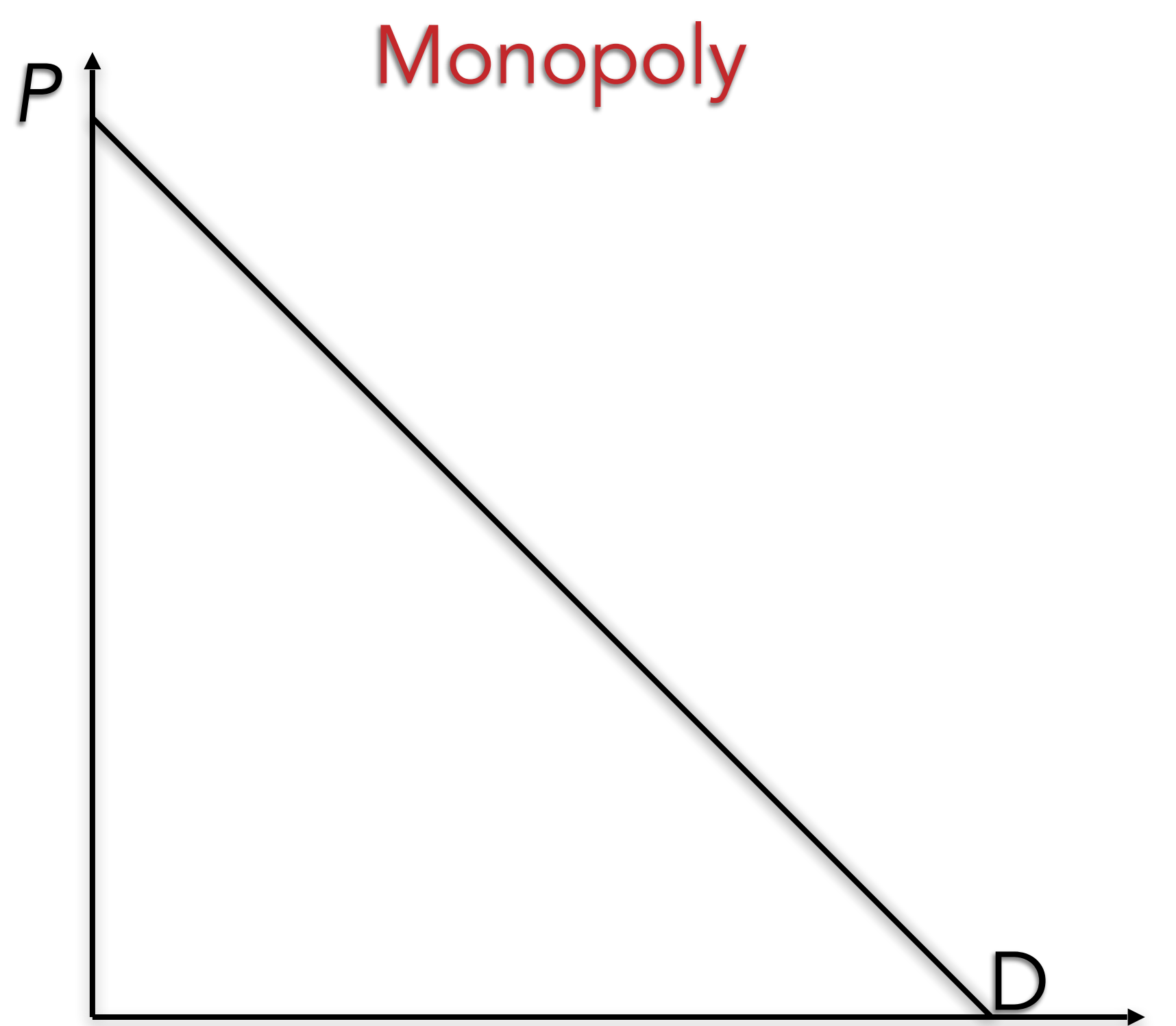
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Total Revenue
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18
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Marginal Revenue
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$8/1 = 8$
$6/1 = 6$
$4/1 = 4$
$2/1 = 2$
$0/1 = 0$
$-2/1 = -2$
$-4/1 = -4$
$-6/1 = -6$
$-8/1 = -8$

When TR is  
maximum, MR = 0

Marginal Revenue  
becomes negative



$TR$

