Indicate whether each of the following statements is true or false and explain why.

A. A monopolistically competitive firm that is incurring a loss should immediately cease operations.

B. A monopoly will always earn economic profit because it is able to set its prices at any level it desires.

C. In the long run, firms operating in perfect competition and monopolistic competition will tend to earn normal profits.

D. Assuming a linear demand curve, a firm that wants to maximize its revenue will charge a lower price than a firm that wants to maximize its profits.

E. When a firm is able to sets its price, its price will always be less than MR.