- 10. The following diagram shows the structure of cost and demand facing a monopolistically competitive firm in the short run.
 - a. Identify the following on the graph and calculate each one.
 - i. Profit-maximizing output level
 - ii. Profit-maximizing price
 - iii. Total revenue
 - iv. Total cost
 - v. Total profit or loss
 - b. What is likely to happen in this industry in the long run?

