The El Dorado Star is the only newspaper in El Dorado, New Mexico. Certainly, the competes with The Wall Street Journal, USA Today, and The New York Times for national news reporting, but the Star offers readers stories of local interest, such as local news, weather, sporting events, and so on. The El Dorado Star faces the revenue and cost schedules shown in the table that follows:

|  |  |  |
| --- | --- | --- |
| Number of  Newspapers  Per day  (Q) | Total Revenue  (including advertising  revenues) per day  (TR) | Total Cost  per day  (TC) |
| 0 | $0 | $2000 |
| 1000 | $1500 | $2100 |
| 2000 | $2500 | $2200 |
| 3000 | $3000 | $2360 |
| 4000 | $3250 | $2520 |
| 5000 | $3450 | $2700 |
| 6000 | $3625 | $2890 |
| 7000 | $3725 | $3090 |
| 8000 | $3625 | $3310 |
| 9000 | $3475 | $3550 |

1. How many papers should the manager of the El Dorado Star print and sell daily?
2. How much profit (or loss) will the Star earn?
3. Graph the marginal revenue and marginal cost curves. Do these curves support your answer to part a? (Hint: Be sure to plot the values of MR and SMC in the middle of the intervals over which they are computed.)
4. What is the total fixed cost for the El Dorado Star? If total fixed cost increases to $5000, how many papers should be printed and sold in the short run? What should the owners of the Star do in the long run?