Assume that a purely competitive firm has the schedule of total fixed and total variable costs given in the table below. Fill in the total cost column.

|  |  |  |  |
| --- | --- | --- | --- |
| **Output** | **TFC** | **TVC** | **TC** |
| 0 | $500 | $ 0 | $\_\_\_\_\_ |
| 2 | 500 | 200 | \_\_\_\_\_ |
| 4 | 500 | 340 | \_\_\_\_\_ |
| 6 | 500 | 590 | \_\_\_\_\_ |
| 8 | 500 | 1000 | \_\_\_\_\_ |
| 10 | 500 | 1650 | \_\_\_\_\_ |

Complete the table below to show the total revenue and total profit of the firm at each level of output the firm might produce. Assume market prices of $50, $150, and $250.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Market price = $50** |  | **Market price = $150** |  | **Market price = $250** |
| **Output** | **Total revenue** | **Profit (+) or loss (–)** |  | **Total revenue** | **Profit (+) or loss (–)** |  | **Total revenue** | **Profit (+) or loss (–)** |
| 0 | $\_\_\_\_\_ | $\_\_\_\_\_ |  | $\_\_\_\_\_ | $\_\_\_\_\_ |  | $\_\_\_\_\_ | $\_\_\_\_\_ |
| 2 | \_\_\_\_\_ | \_\_\_\_\_ |  | \_\_\_\_\_ | \_\_\_\_\_ |  | \_\_\_\_\_ | \_\_\_\_\_ |
| 4 | \_\_\_\_\_ | \_\_\_\_\_ |  | \_\_\_\_\_ | \_\_\_\_\_ |  | \_\_\_\_\_ | \_\_\_\_\_ |
| 6 | \_\_\_\_\_ | \_\_\_\_\_ |  | \_\_\_\_\_ | \_\_\_\_\_ |  | \_\_\_\_\_ | \_\_\_\_\_ |
| 8 | \_\_\_\_\_ | \_\_\_\_\_ |  | \_\_\_\_\_ | \_\_\_\_\_ |  | \_\_\_\_\_ | \_\_\_\_\_ |
| 10 | \_\_\_\_\_ | \_\_\_\_\_ |  | \_\_\_\_\_ | \_\_\_\_\_ |  | \_\_\_\_\_ | \_\_\_\_\_ |

Indicate what output the firm would produce and its profits in the following table.

|  |  |  |
| --- | --- | --- |
| **Price** | **Quantity supplied** | **Profit (+)****or loss (–)** |
| $ 50 | \_\_\_\_\_ | $\_\_\_\_\_ |
| 150 | \_\_\_\_\_ | \_\_\_\_\_ |
| 250 | \_\_\_\_\_ | \_\_\_\_\_ |

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