|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Output | Price | Total Revenue | MR | Total Cost | Average Total Cost | Marginal Cost |
| 1 |  |  | - | 50 |  | - |
| 2 |  |  |  | 60 | 30 |  |
| 3 |  | 60 |  | 68 |  |  |
| 4 |  |  |  | 78 |  |  |
| 5 |  |  |  | 93 |  |  |
| 6 |  |  |  | 113 |  |  |
| 7 |  |  |  | 140 |  | 27 |

8. Assume the table above shows the revenue (demand) and cost situation facing an individual firm. Further assume this firm has a Total Revenue equation that can be expressed as TR = 20Q. Based on that, answer the following.

1. In the table above, fill in the missing values for Price, Total Revenue, Marginal Revenue (MR), Average Total Cost, and Marginal Cost.
2. What is the profit maximizing output and price for this firm? Explain how you reached your answer.
3. If this firm operates at its profit maximizing position, what will its profit (or loss) be? Show your work.
4. Describe the type of market structure in which this firm operates and whether the table indicates a short run or long run position. Explain your answers.