Q(pcs) 0 1 2 3 4 5 6 TC(\$) 400 600 1000 1600 2800 4100 5400 TR(\$) 0 1000 2000 3000 4000 5000 6000 TP(\$) -400 -400 1000 1400 1200 900 400 MC(\$) - 200 400 600 1200 1300 1300 The profit maximizing point is where P = MR = MC = \$1000MC = (TC2 - TC1)/(Q2 - Q1) As MR=MC in the point between 3 and 4 units, we choose 3 units, as there is higher total profit (TP) in this point.

So, the firm should produce 3 units to maximize its profit.