

**Answer on Question #38574 – Economics - Economics of Enterprise**

In economics, profit maximization is the short run or long run process by which a firm determines the price and output level that returns the greatest profit. There are several approaches to this problem. The total revenue–total cost perspective relies on the fact that profit equals revenue minus cost and focuses on maximizing this difference, and the marginal revenue–marginal cost perspective is based on the fact that total profit reaches its maximum point where marginal revenue equals marginal cost.