

Answer on Question #44259 – Economics – Microeconomics

a. $ATC = TC/Q$, $MC = \Delta TC/\Delta Q$, $TR = P*Q$, $TP = TR - TC$, $TP \text{ per unit} = TP/Q$

Q	TC	ATC	MC	P=MR	TR	TP	TP per unit
10	110	11	-	17	170	60	6
15	150	10	8	17	255	105	7
20	180	9	6	17	340	160	8
25	225	9	9	17	425	200	8
30	300	10	10	17	510	210	7
35	385	11	11	17	595	210	6
40	480	12	12	17	680	200	5

b. If $P = \$17$, we should produce the amount of output, for which $MR = MC = P = 17$. So, 35 units will be produced and sold. Total maximized profit will be \$210 and profit per unit will be \$6.

c. In the long-run all firms in industry receive normal profits ($TP = 0$) and ATC is minimal.