

8 OUTPUT, PRICE, PROFIT

A. FIRM BEHAVIOR

- 1. Optimal Decisions**
- 2. Determination of Optimal Price**
- 3. Setting P, Q; D, S**

B. TOTAL ECONOMIC PROFITS

- 1. Accounting Profits (AP)**
- 2. Economic Profits (EP)**
- 3. Total Revenue, D, and Marginal Revenue (MR)**

C. MARGINAL ANALYSIS

- 1. Marginal Profit and Maximum Profit**
- 2. MR, MC**
- 3. Optimum P, Q**

D. GENERALIZATION OF $MC = MR$

- 1. Applicability**
- 2. FC and Profit Maximization**
- 3. Increase in Fixed Costs**