

Chapter 10: Drawing a market supply curve with 100 pure competition firms

Q	Total Cost	TFC	TVC	AFC	AVC	ATC	MC
0	\$50						
1	\$80		\$30	50.00	30.00	80.00	30.00
2	\$90		\$40	25.00	20.00	45.00	10.00
3	\$105		\$55	16.67	18.33	35.00	15.00
4	\$124		\$74	12.50	18.50	31.00	19.00
5	\$150		\$100	10.00	20.00	30.00	26.00
6	\$180		\$130	8.33	21.67	30.00	30.00
7	\$216						
8	\$255		\$205	6.25	25.63	31.88	39.00
9	\$300		\$250	5.56	27.78	33.33	45.00
10	\$350		\$300	5.00	30.00	35.00	50.00

What is the shut down price?

What is the break even price?

Suppose the market price was \$18. What should the firm do?

Suppose the market price was \$36. What should the firm do?

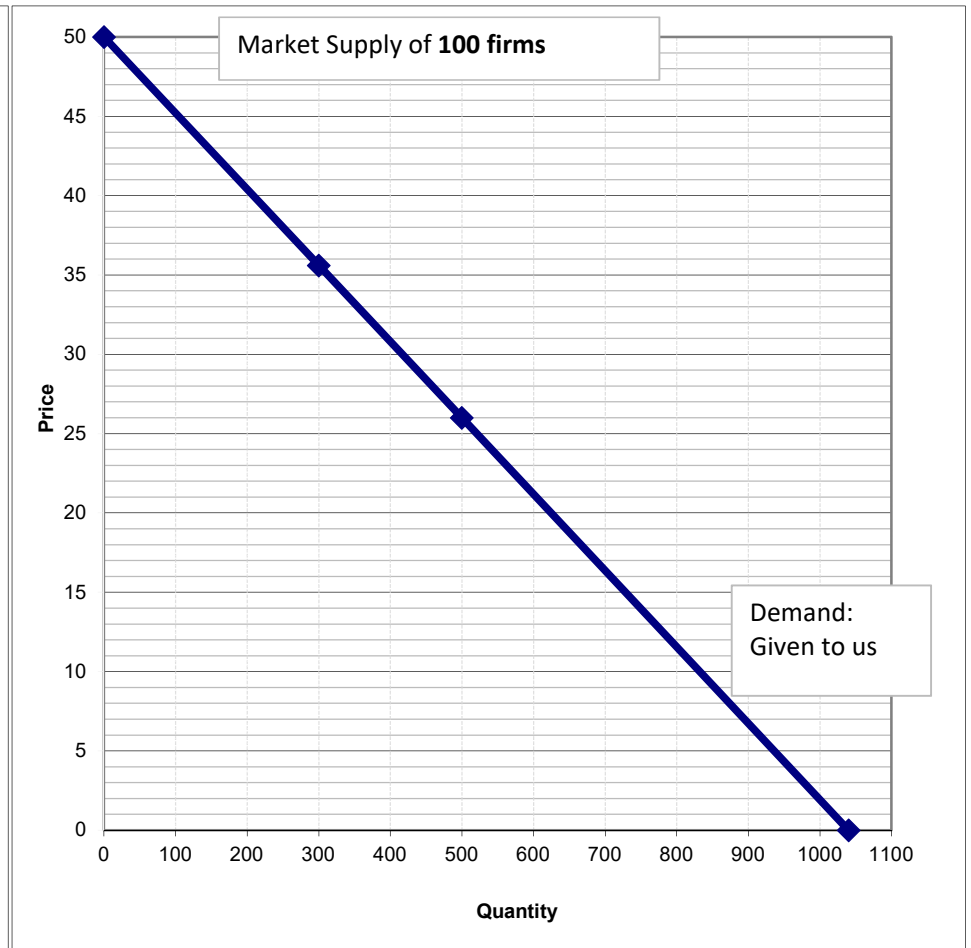
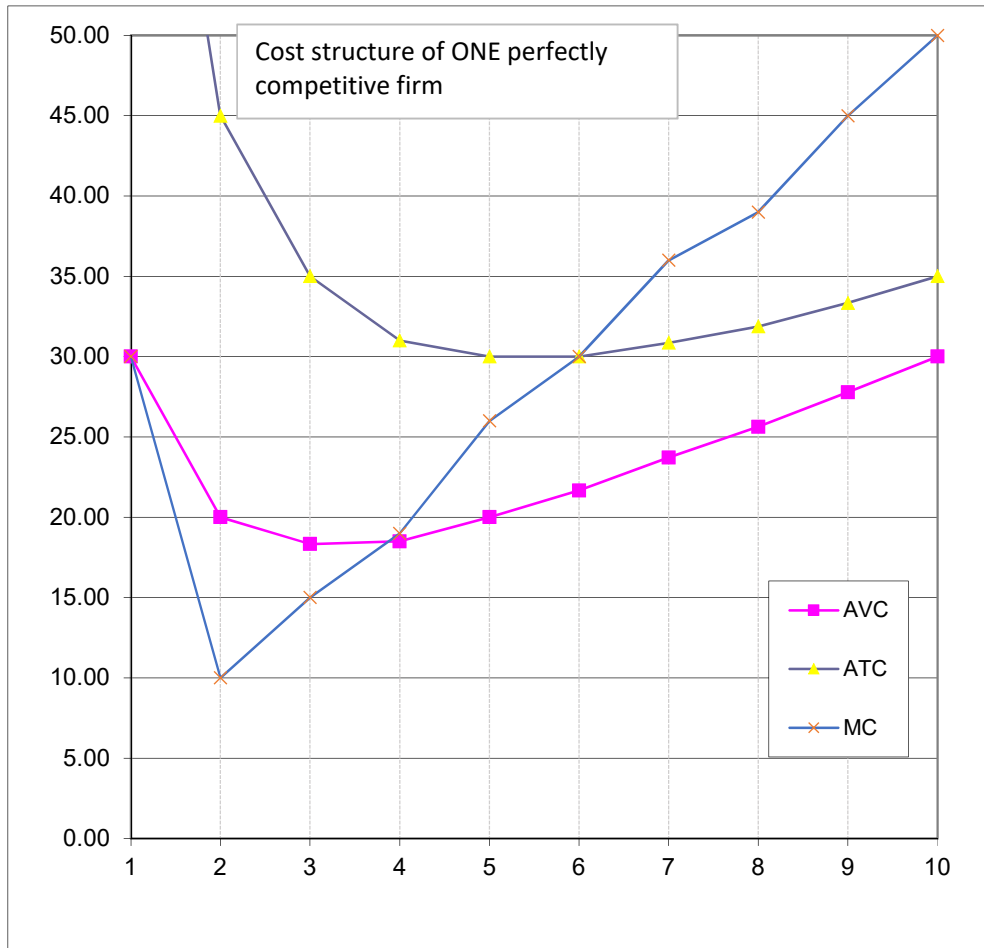
Given the demand curve below: Draw MARKET Supply Curve (100 firms)

What IS the market Price in this case?

a. How much will each firm produce?

b. Will they make a profit?

c. Will they Shut down? (i.e., produce zero today)



Chapter 10 Practice: Drawing a market supply curve with 100 pure competition firms

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2	\$90						
3	\$105						
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Given the demand curve below: Draw MARKET Supply Curve (100 firms)

What IS the market Price in this case?

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- Will they make a profit?

c. Will they Shut down?

