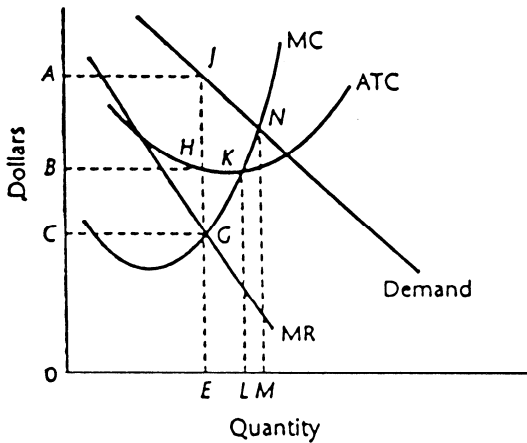
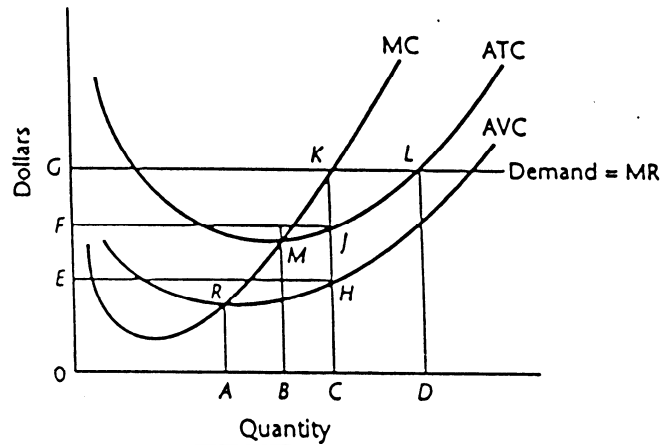


Monopoly Graph



Perfect Competition Graph



These questions are based on the graphs above. Circle the letter of each correct answer.

- A monopoly firm will maximize profits at what price?
 - OA
 - OB
 - OC
 - OG
- Economic profits for the monopoly firm are represented by the area of which rectangle?
 - OCGE
 - OAjE
 - AjHB
 - BAjN
- Total costs for the monopoly firm are represented by the area of which rectangle?
 - BKLO
 - CGEO
 - AjEO
 - BHEO
- The total revenue for the monopoly firm is represented by the area of which rectangle?
 - OCGE
 - OAjE
 - AjHB
 - BAjN
- The perfect competitor will maximize profits at what price?
 - OE
 - OF
 - OG
 - OA

6. The perfect competitor will shut down below which price-output relationship?
 - a. K
 - b. M
 - c. L
 - d. R

7. At price OG, the area of which rectangle represents total revenue for the perfect competitor at profit-maximizing output?
 - a. OGKC
 - b. OFJC
 - c. FGKJ
 - d. EFJH

8. At output OC, total variable cost is represented by the area of which rectangle?
 - a. OGKC
 - b. FGKj
 - c. OEHC
 - d. OFjC

9. At price OG, profits for the perfect competitor are represented by the area of which rectangle?
 - a. OGKC
 - b. OFNB
 - c. FGKj
 - d. OEHC

10. At what price-output relationship will a perfect competitor operate in the long run?
 - a. K
 - b. L
 - c. M
 - d. R