WORKSHEET 4

1. The graph below illustrates the short-run profit/loss condition of a typical firm in a given market.

![Graph showing short-run profit/loss conditions](image)

(a) What type of market structure is represented by the graph above?

(b) Calculate the firm's level of profit/loss.

(c) Should this firm shut down in the short-run? Motivate.

(d) What is this firm's shut-down price?

2. A monopolist faces the demand curve \( P = 300 - 6Q \) and has total cost of \( C = 150 + 60Q \).

(a) Determine its profit-maximizing price and output.

(b) How much profit does the monopolist earn?