Production, Cost and Perfect Competition
Profit

Terms		
Accounting Profit	Economic Profit	Normal Profit
Zero economic profit	profit maximization	

Watch Types of Profit – Micro Topic 3.4 at
https://www.youtube.com/watch?v=6OZUruDdhF4&list=PLE70CA726102FB294&index=8

Follow along with Mr. Clifford's example and calculate the following numbers for Kevin's ice ceam cone business

1. Total Cost

2. Total Revenue

3. Profit

Now assume Kevin has implicit cost of $500. With this information calculate Kevin's **ECONOMIC** profit.

Accounts (and thus accounting profits) just look at the _____ costs of running a business.

Economists (and thus economic profits) factor in _____costs and _____ costs of running a business.

Follow along with Mr. Clifford's example of Dwight's farm.
Assume that Dwight owns a beat farm and his total cost is $2000
Dwight's total revenue is $2000.

What is Dwight's economic profit?

What is Dwight's accounting profit?

Making no economic profit is not a _____ if total cost including implicit cost is $2000 and total revenue is $2000 you make no economic profit but you are making _____.

You are making enough money to cover all of your _____ costs and have money left over that covers your _____ costs.

Answer Mr. Clifford's Pop Quiz questions

1.

2.

3.