

Name: _____

Date: _____

ACTIVITY4: Profit, profit, profit... for all!

1. When does profit maximization occur? What does that look like for this company?

2. How much of this item should this company produce?

3. What is the profit function $P(x)$ for this particular company?

$$P(x) = R(x) - C(x)$$

4. What is the maximum profit this company can make according to your findings?

5. Select any other level of output than what you found in number 4 and verify that it produces a smaller profit (or greater loss) than what we found using calculus.