

Wilf Csaplár Jr.      Economics 301      Homework #10      **Due Wednesday 11/16 by 9:00 AM**  
The Last One!

Place your name on the back of this sheet of paper and nowhere else. Staple your answers face up on the front of this sheet of paper. Failure to follow these directions will cost you 10 points. Your assignment will be typed, except graphs can be drawn by hand and mathematical equations can be done by hand. Failure to type it will cost you 10 points. If you use double-sided printing or print on the back of scrap paper, I will give you one additional point.

1) (10 points) In the article linked below, they state that Beyond Meat has not been profitable yet, and won't be for a few years. Why do you think they have not shut-down? (There are two possible explanations. Give one of them.)

<https://www.marketbeat.com/slideshows/7-most-overhyped-penny-stocks-to-sell-now/#slide4>

2) (20 points) Draw the ATC/AVC/MC/D diagram for a perfectly competitive firm which is making profits. Show the firm's price, quantity, and profits. Briefly explain how you found each one.

3) (40 points) Draw the ATC/AVC/MC/D diagram for a perfectly competitive firm which is making negative profits but staying in business. Beside it, draw the industry supply/demand diagram. Illustrate what will happen over time which will lead the market back to where firms are making zero economic profit. Explain why the curve(s) moved as drawn.

4) (30 points) Draw the ATC/AVC/MC diagram for a perfectly competitive firm. Put numbers on the scales on the axes. Use that diagram to derive the industry supply curve assuming there are 100 firms. Draw it with numbers on the scales. Explain how you found the values for the points on that curve.