	The Supply Curve: Profit Maximizing Output and Firm Life Decisions						
	Firm	**Firm**	**Firm**	**Firm**	**Firm**	**Firm**	**Industy**
	Profit Maximizing Output (P=MC)	P vs. min ATC	Total Revenue v. Total Cost	Economist's Profit or Loss ($)	Short Run Decision	Long Run Decision	Long Run # of Firms
p0	q0	p>ATC	TR > TC	Profit	Stay Open	Stay (Expand?)	Expand
p1	q1	p>ATC	TR > TC	Profit	Stay Open	Stay (Expand?)	Expand
p2	**q2**	**p=min ATC**	**TR = TC**	**No**	Stay Open	**Stay**	**Constant**
p3	q3	P<ATC & P > AVC	TR < TC	Loss	Stay Open	Exit	Contract
p4	q4	P<min AVC	TR < TC	Loss	Temp Close	Exit	Contract

Notes:

(1) For any given price, the profit maximizing firm operates where the given price (e.g., p0) is equal to marginal cost (MC) (e.g., q0).

(2) Analysis of the consequences of different prices shows that a firm's profit maximizing decisions will lead to a SUPPLY CURVE which is the MC curve above min AVC.