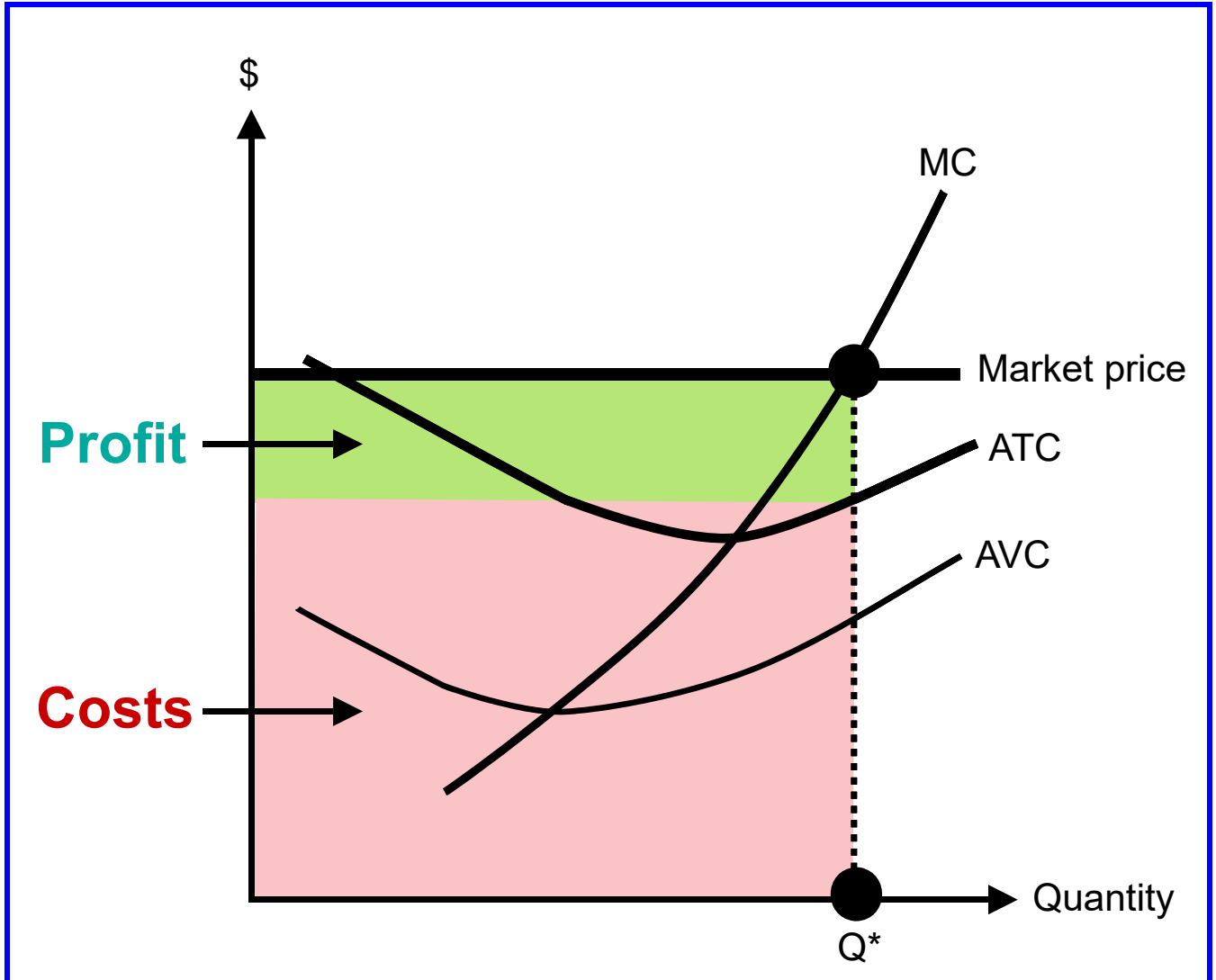


# Costs and profit



MC = Marginal cost  
ATC = Average total cost  
AVC = Average variable cost  
 $Q^*$  = quantity of the highest profit

The profit is highest at the point where MC meets the market price.