**ECO 101: Introduction to Microeconomics**

**Assignment 2**

Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ ID: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

1a. Sketch the graph of a firm in Perfect Competition making a “shutdown” loss in the short-run. (5 points)

1b. Label the following values in your graph: P = 10; AVC1 = 12; ATC1 = 15 and Q = 100. Find the values of TR, TC, profit/loss, TVC and TFC. (5 points)

1c. Why will the firm shutdown immediately? (5 points)