

EE211 Section 1

Homework 4 due on due on 23rd April 2026 (Email: kaewkwanee211@gmail.com)

Explain your answers with graph in details.

1. Draw the cost curves for a typical firm. Explain how a competitive firm chooses the level of output that maximizes profit. At that level of output, show on your graph the firm's total revenue and total cost.
2. Under what conditions will a firm **shut down temporarily**? Explain?
3. Under what conditions will a firm **exit a market**? Explain?
4. Short-Run Equilibrium in the Competitive Market. Three possible positions for a firm when the industry is in short run equilibrium. Illustrate the graphs in each scenario for market and firm (**positive, zero, and negative profits**) with full explanation on each scenario.
5. Illustrate the graphs with full explanation for market and firm with adjustments in the long-run equilibrium in the competitive market for question 4.

Mankiw, N.G., (2023) **Principles of Microeconomics**, 10th ed., Cengage, (ISBN-13: 978-981-5119-30-5)

Chapter 15

Problems and Applications # 1, 4, 5, and 8