

Entry Card – Profit Maximization

1. Key Terms

- **Marginal Cost (MC):** The *extra cost* of making one more unit.
- **Marginal Revenue (MR):** The *extra money* a business earns from selling one more unit.

2. Understanding the Rule

- A firm should produce more units as long as _____ > _____.
- A firm should stop producing when _____ = _____.

3. Quick Scenario

A bakery sells cupcakes:

- The cost to make the 10th cupcake = \$3
- The revenue from selling the 10th cupcake = \$3

👉 Should the bakery make the 10th cupcake? Why or why not?