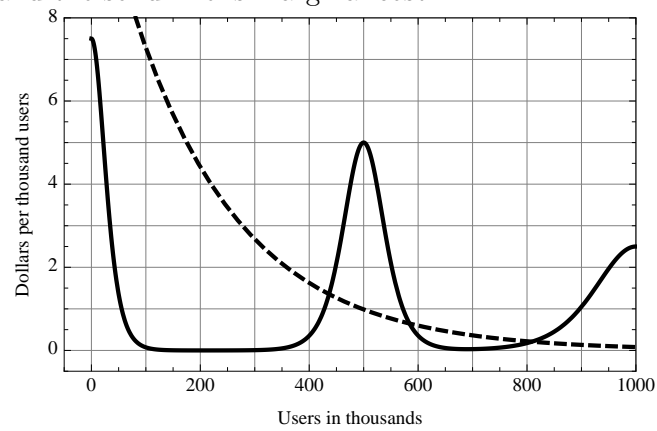


5. [8 points] The owners of a social networking site are concerned about their profit margins, so they develop the graphs for marginal revenue and marginal cost in terms of the number of users on the site. Use the graphs below to answer the following questions. The dashed graph is marginal revenue and the solid line is marginal cost.



- a. [3 points] At which approximate number(s) of users is marginal cost equal to marginal revenue?
- b. [5 points] Which of your answers from part (a) maximizes profit? Clearly justify your answer.