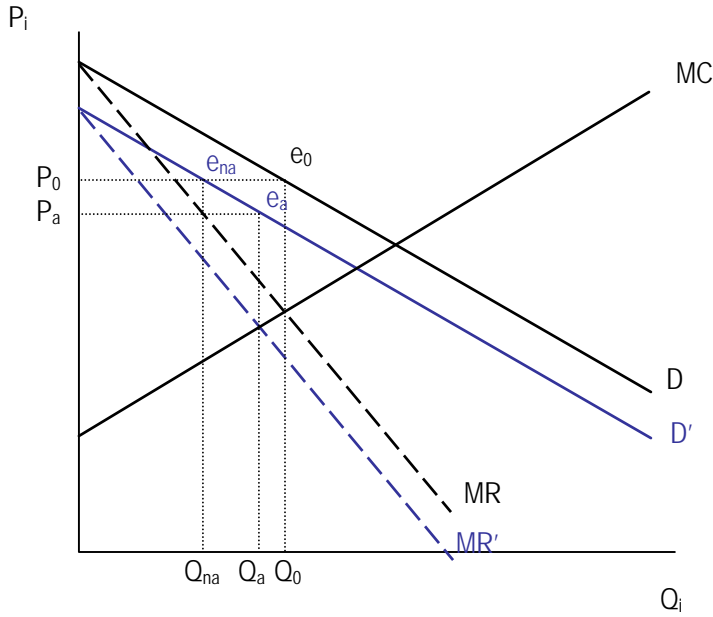


Effects of decline in AD if other firms don't ΔP . Shift in demand is small; MC doesn't change. Lost profit is small triangle bounded by MR' , MC , and Q_{na} .



Effects of decline in AD if other firms do ΔP . Shift in demand is large; MC shifts down. Lost profit is large triangle bounded by MR' , MC' , and Q_{na} .

