**8. Explain what occurs when a new technology makes another one obsolete in terms of economic profit. Consider firm A to be an existing firm using the old technology. Firm B is the new firm with new technology. Firm A earned positive profits for years, but with the entrance of Firm B, Firm A’s goods and services are no longer desired.**

**9. In measuring economic profit:**

**a. How do you deal with a one-time event?**

**b. How do you deal with money provided by relatives to get the business started?**

**c. How do you handle off-balance-sheet expenses---that is, expenses that are incurred by the firm but are not measured as part of the firm’s balance sheet?**

**NOTE:**

**The above Exercises are from the textbook referenced below and are directly related to Chapter 19 entitled: Measuring Economic Profit**

References

Boyes, W. (2012). *Managerial economics: Markets and the firm (2nd Ed.)*. Mason, Ohio: South-Western Cengage Learning.