13. Correct. The answer is false. P = 70 - 5Q = MC = 57 - 4Q => Q = 13. P = 70 - 5*13 = 5 and profits = 5*13 - (10 + 57*13 - 2*13^2) = -$348. The social optimum is where price equals marginal cost or where demand crosses marginal cost. However, with decreasing costs marginal cost is below average costs and the producer would make a loss as in this case.