

markets w/ room for many firms

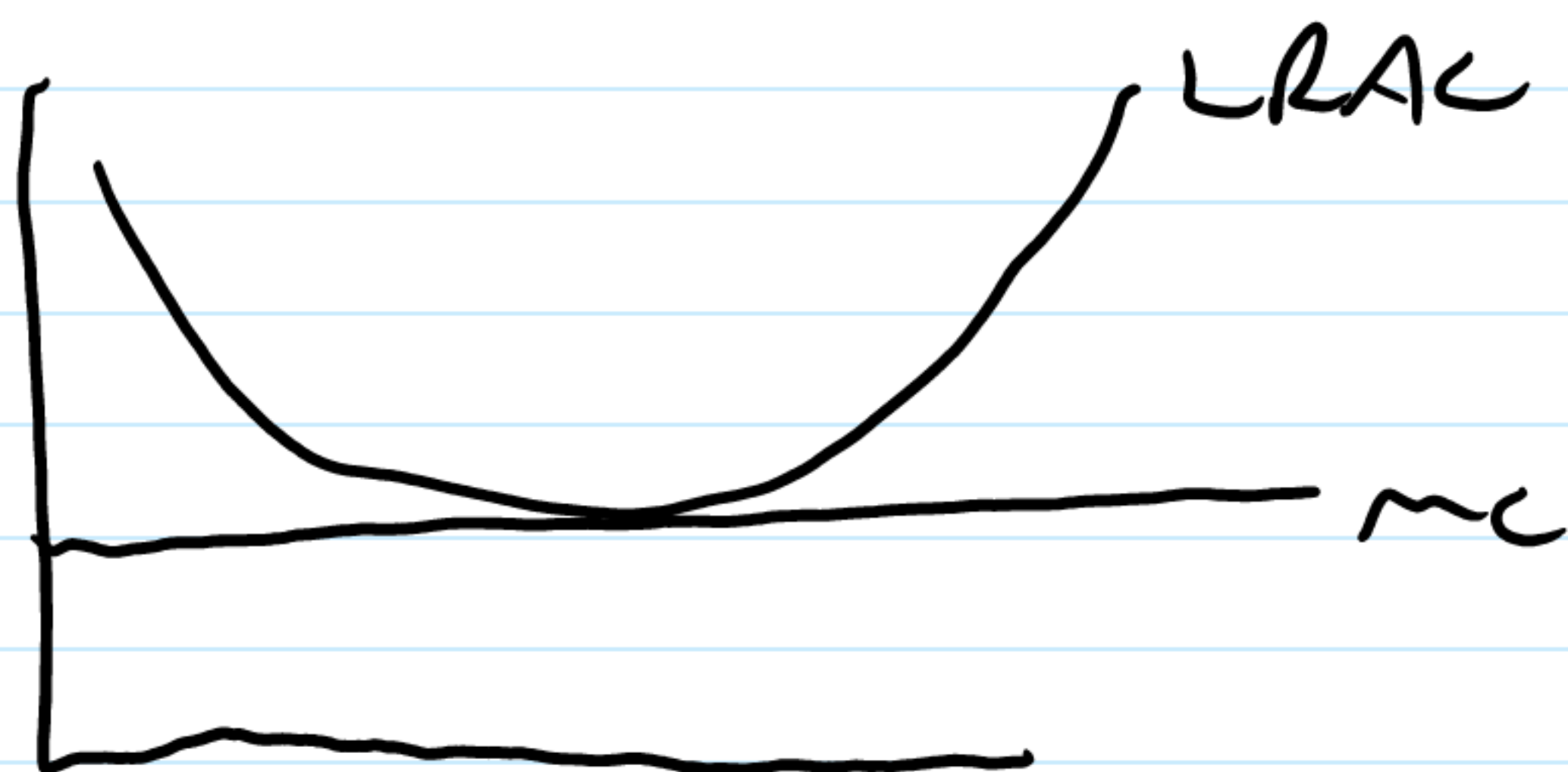
$$P_i = LRAC_i \quad \text{industry eq}$$

$$P_i + \frac{P_i}{3} = MC_i \quad \text{firm optimization}$$

$$n \rightarrow \infty \quad |B_i| \rightarrow \infty \quad MR_i \rightarrow P_i$$

$$P_i \approx MC_i$$

$$MC_i \approx LRAC_i$$



Firms operate near LRAC

$$MR_i = P + P \frac{s_i}{3} = MC_i \quad \text{firm optimization}$$

$$P \approx LRAC_i \quad \text{industry eq}$$

$$s_i \rightarrow 0, \quad s_i \rightarrow \infty$$