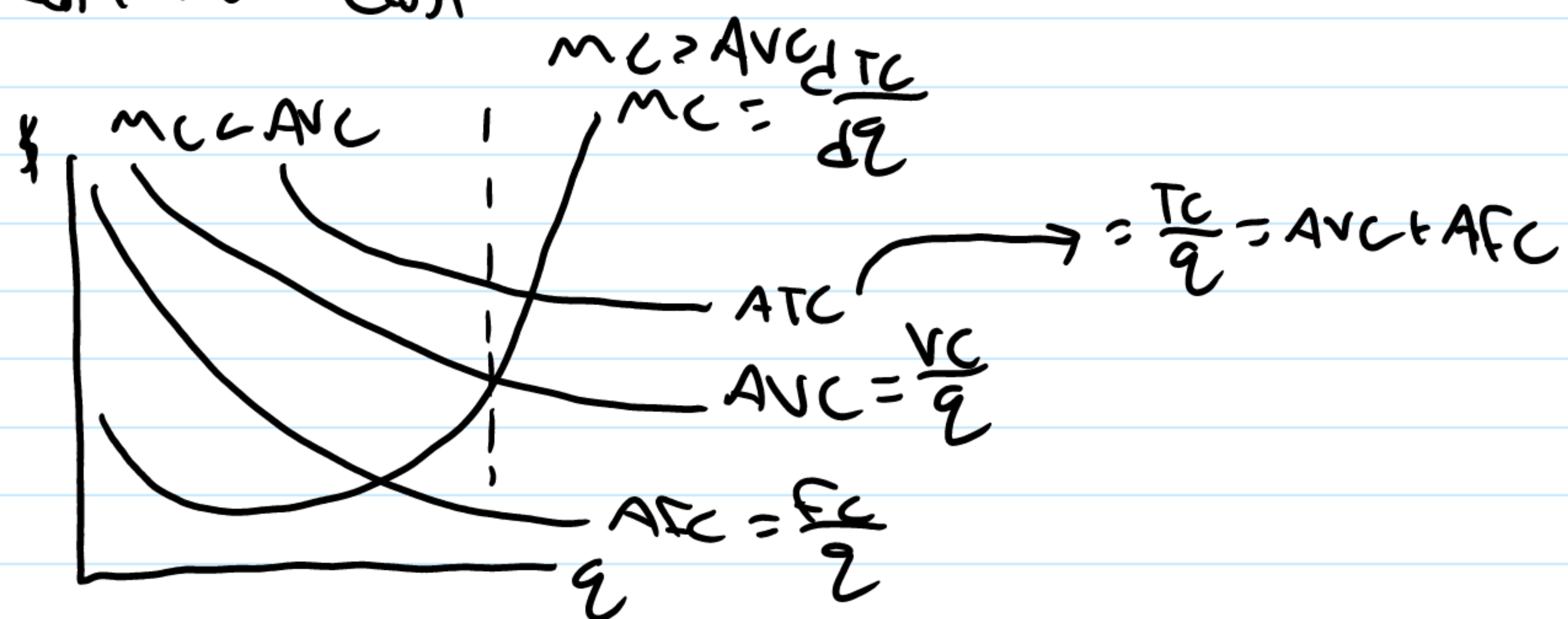


Short Run Cost

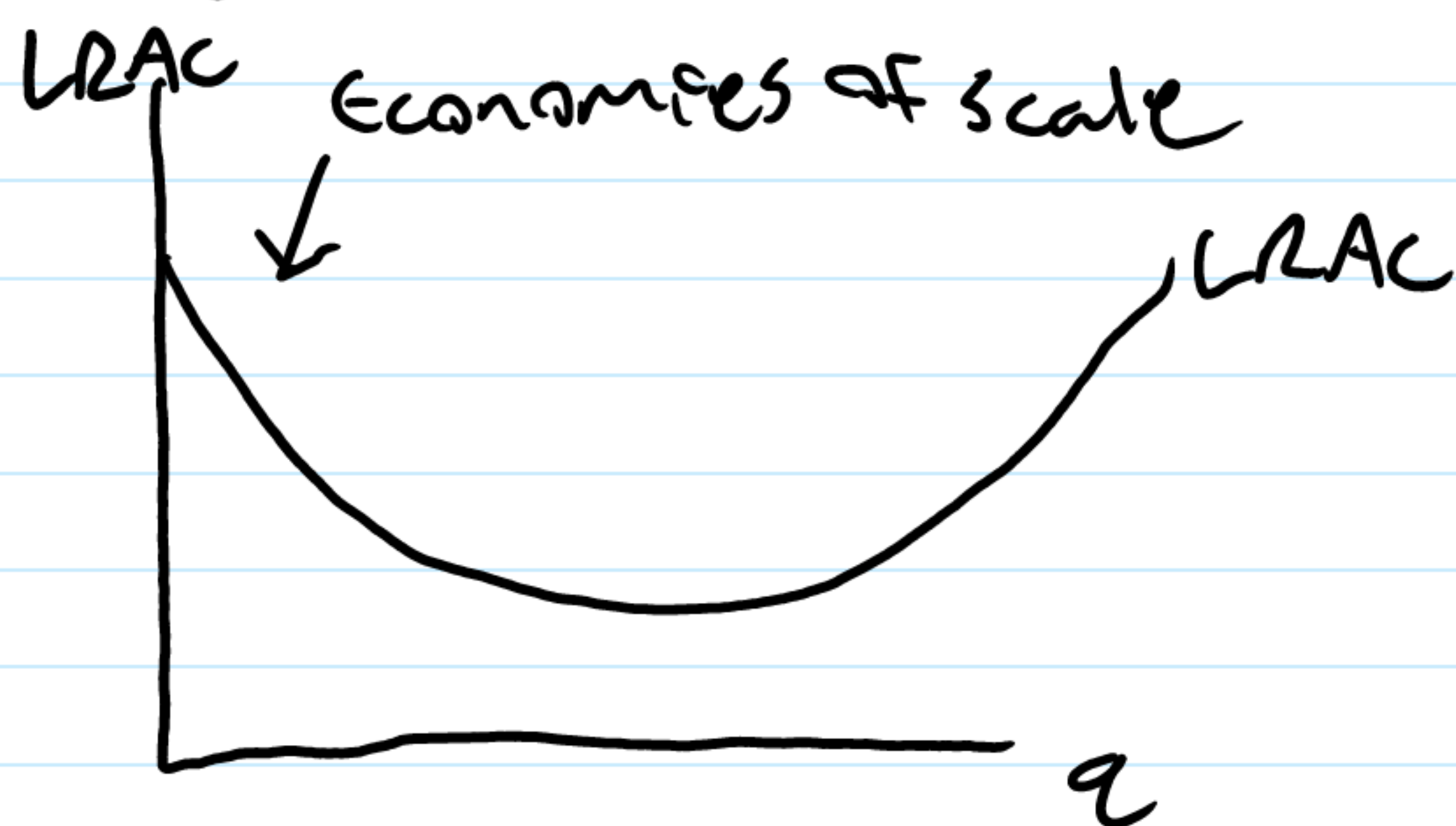


What is short run?

long run?

↳ Planning horizon

Long Run Cost

Replication argument \rightarrow LRAC can't slope up

Dis-economies of scale