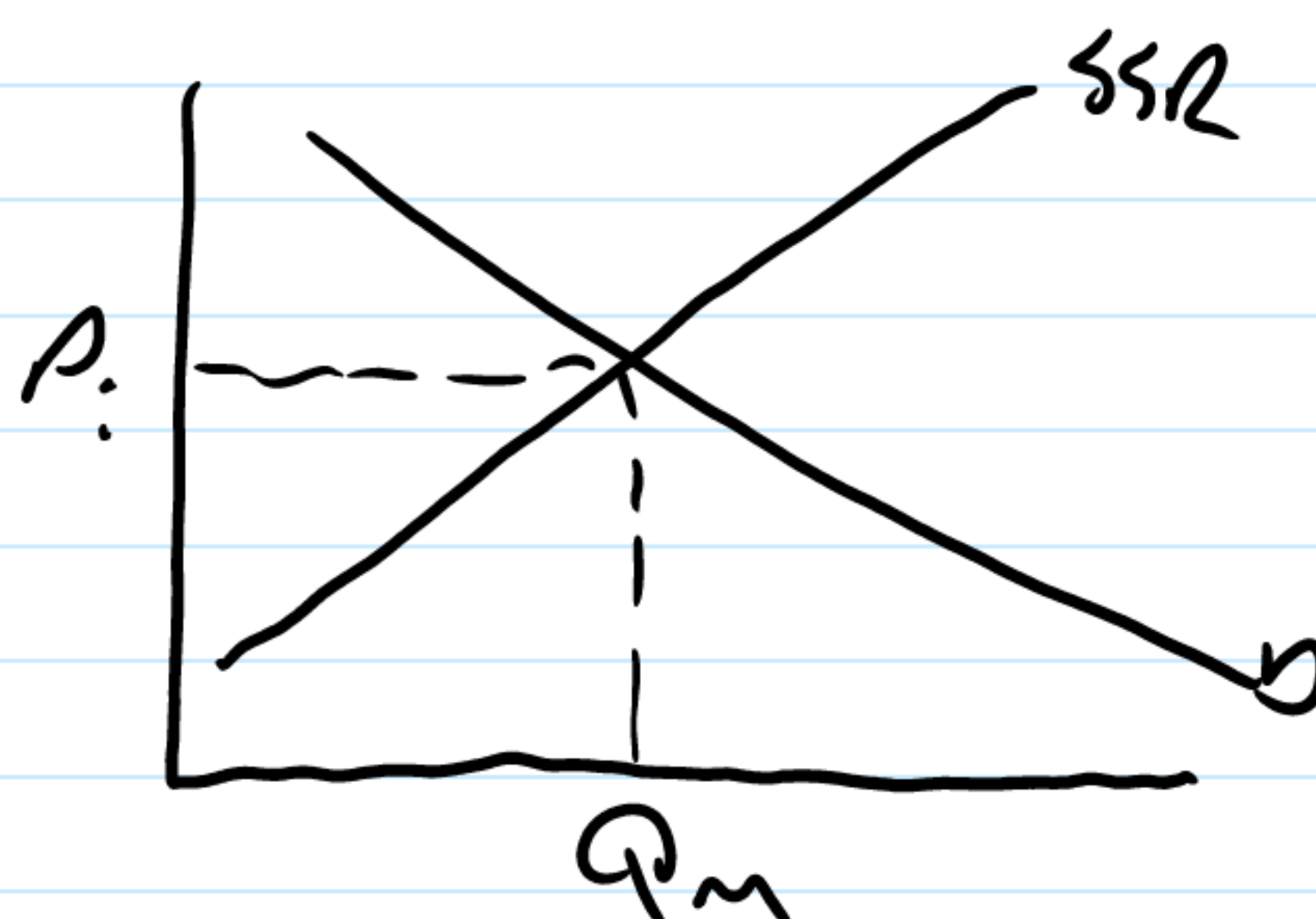


Perfect Comp in the Long Run

LR: All factors of prod are variable (ownership / management fixed)



S = short run

$P_i^e > LRAC > SAC \Rightarrow \pi_i > 0 \rightarrow$ resource entry
 1) firm's expand
 2) firms enter