



Costs in the Long Run

Each plant size is  
characterized by these three  
costs:



h

e

**S**

e



a



e



h

e







**S**



**S**

W

h

e

n





h

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m



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n



h

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9







h







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S

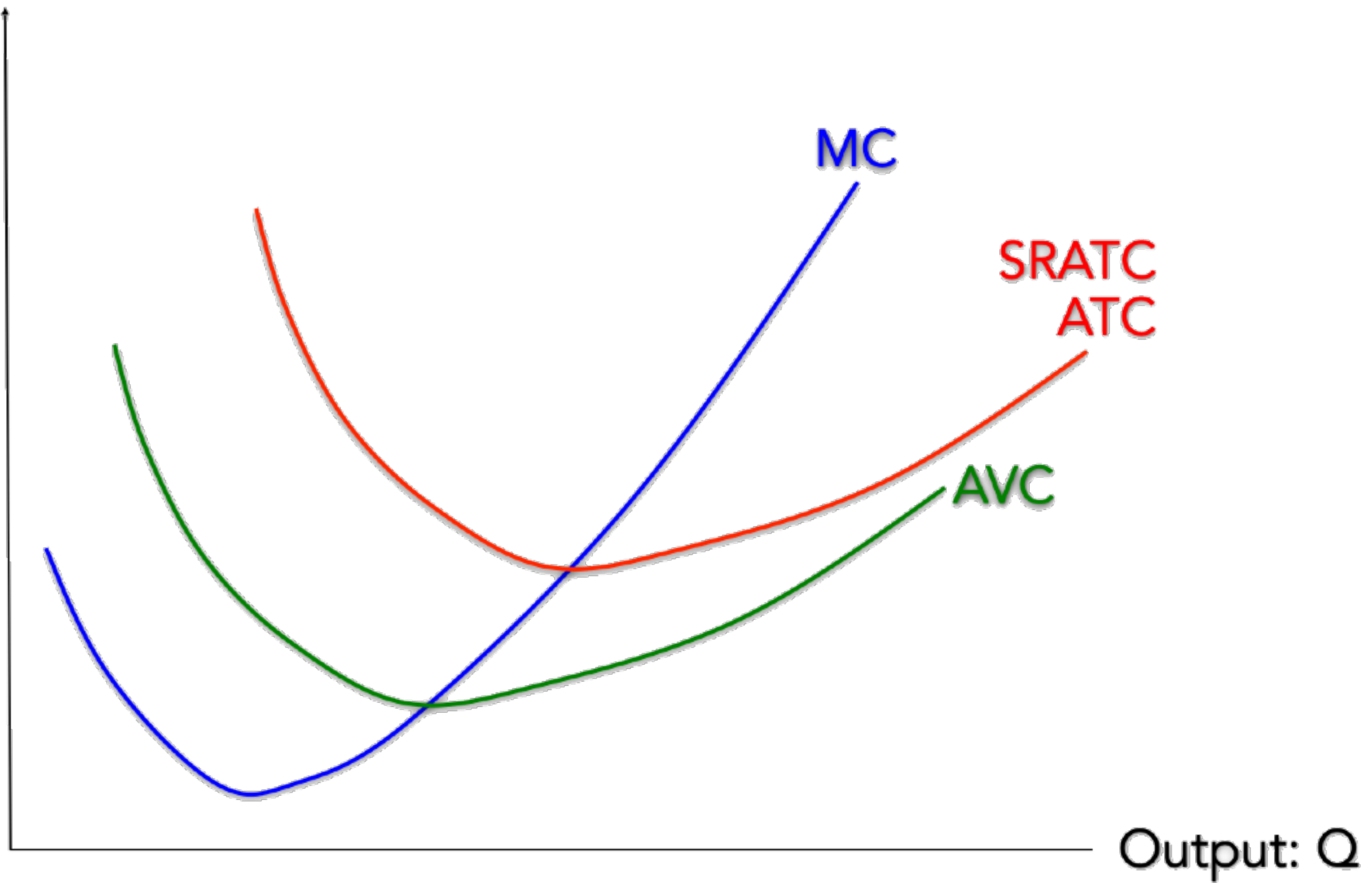




**Z**

e

MC ATC AVC

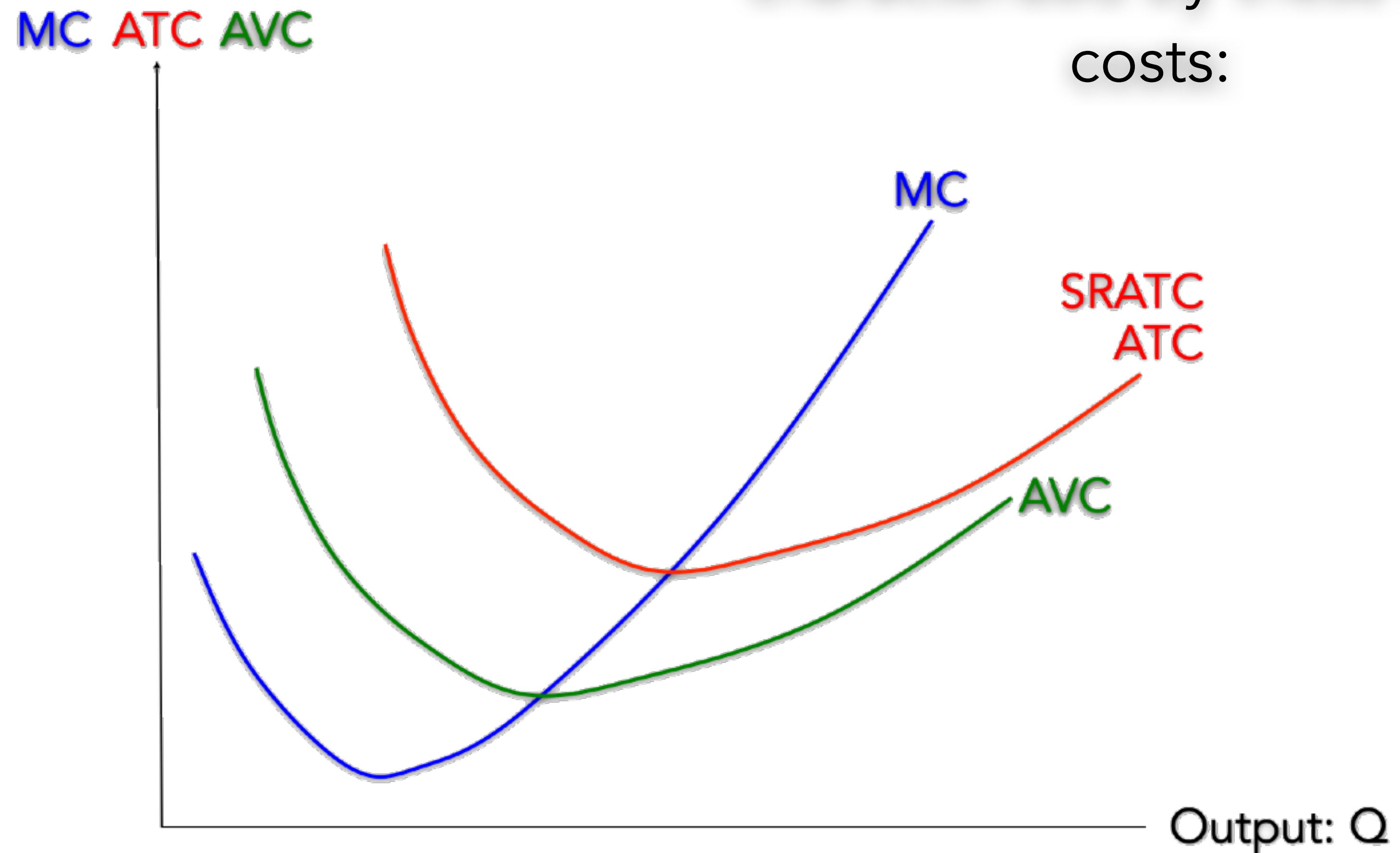


These are the costs  
when the firm **can**  
**change the plant**  
**size**

# Costs in the Long Run

Each plant size is characterized by these three costs:

These are the costs when the firm **can change the plant size**



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