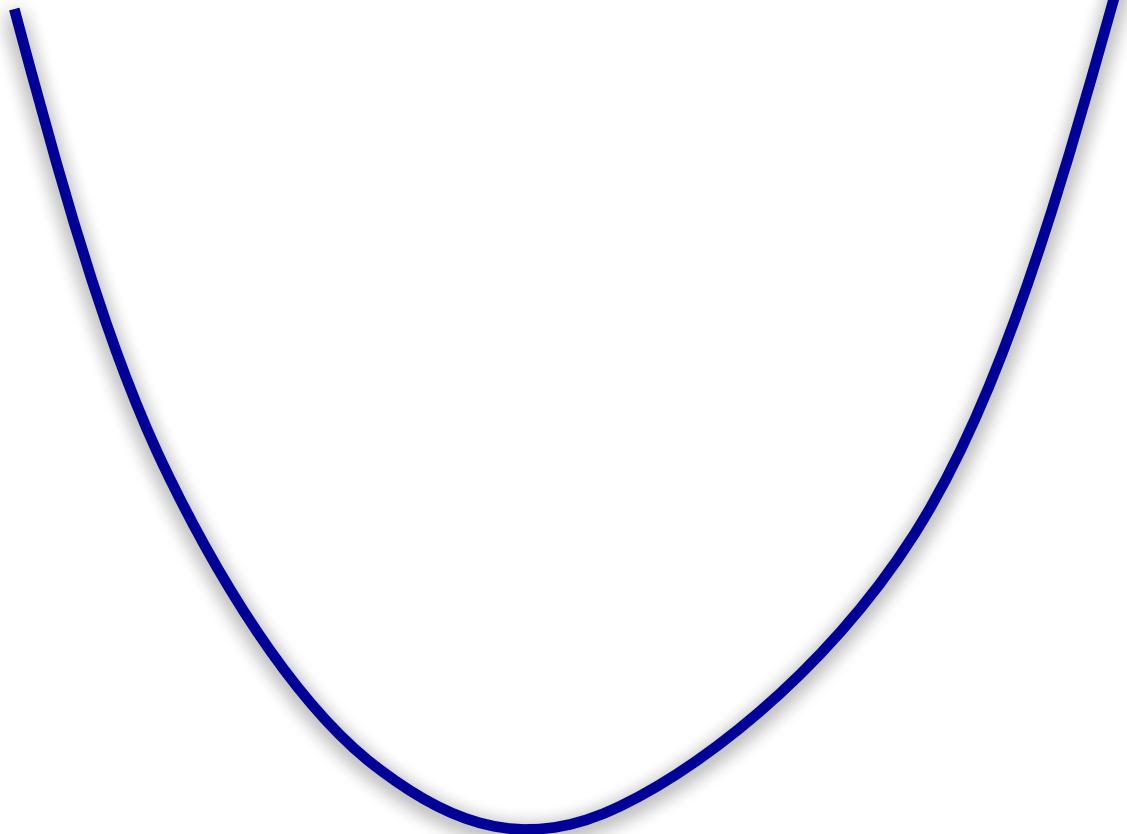




A thick red U-shaped curve is plotted on a white background. The curve starts at a high value on the left, descends to a minimum point, and then ascends to a high value on the right. The label 'SRATC₁' is positioned in the upper right quadrant of the image, near the rising part of the curve.

SRATC₁

SRATC₂



SRATC₃

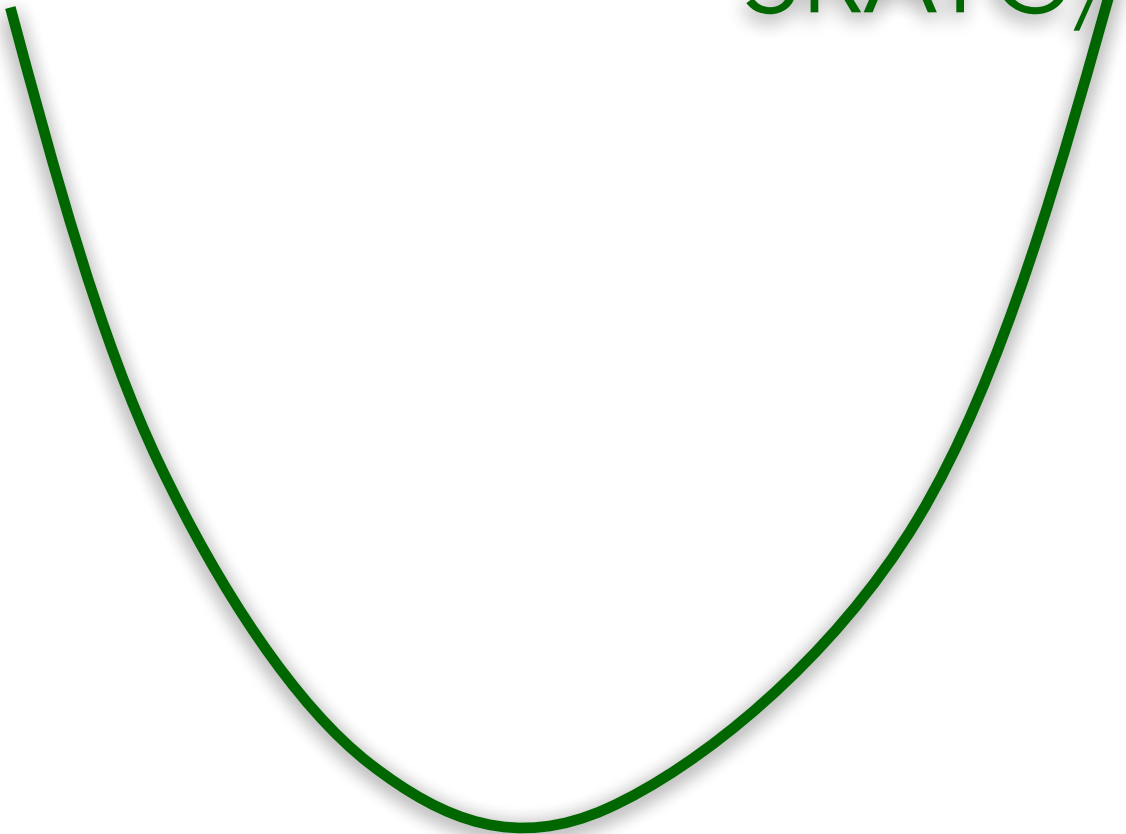


SRAATC4

SRATC₅



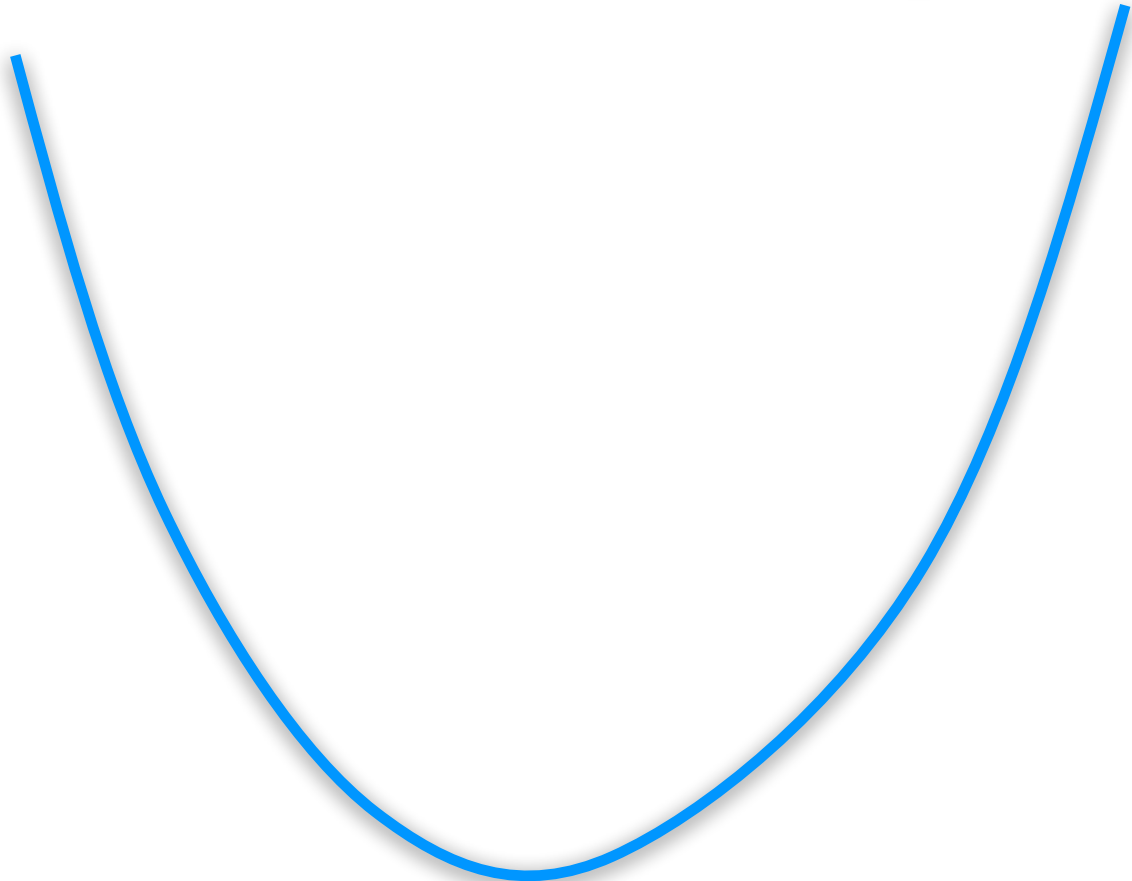
SRATC₇



LRATC



SRATC₆



T



S

u

r





V

e



n



h

e



n

d

u

S





y

a







m

m

S



p



d

u

C

e

a



h

e





W



S



p



S



b



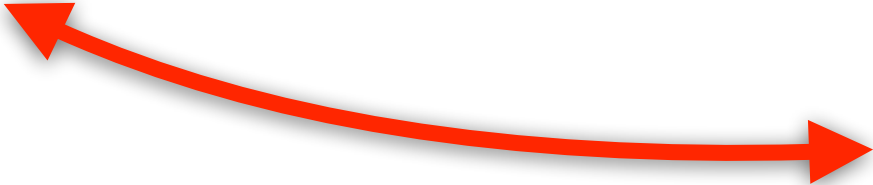




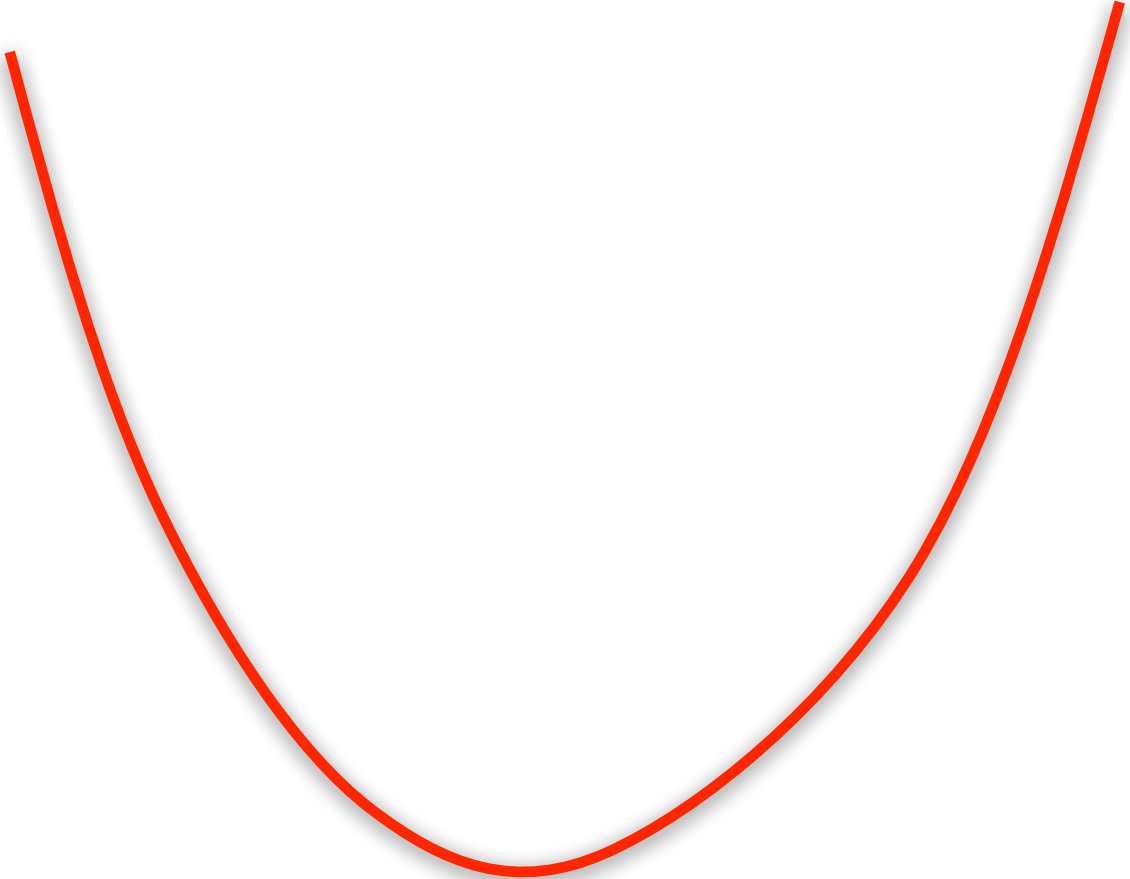


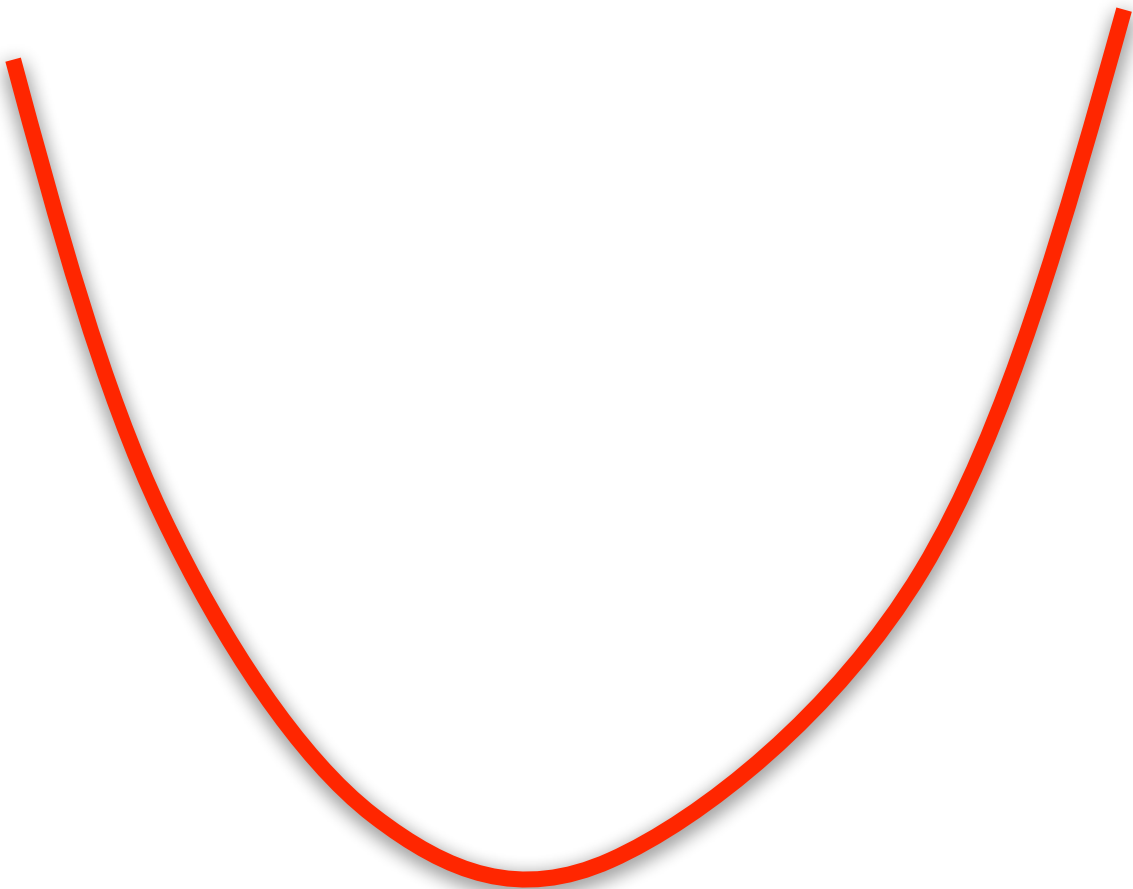
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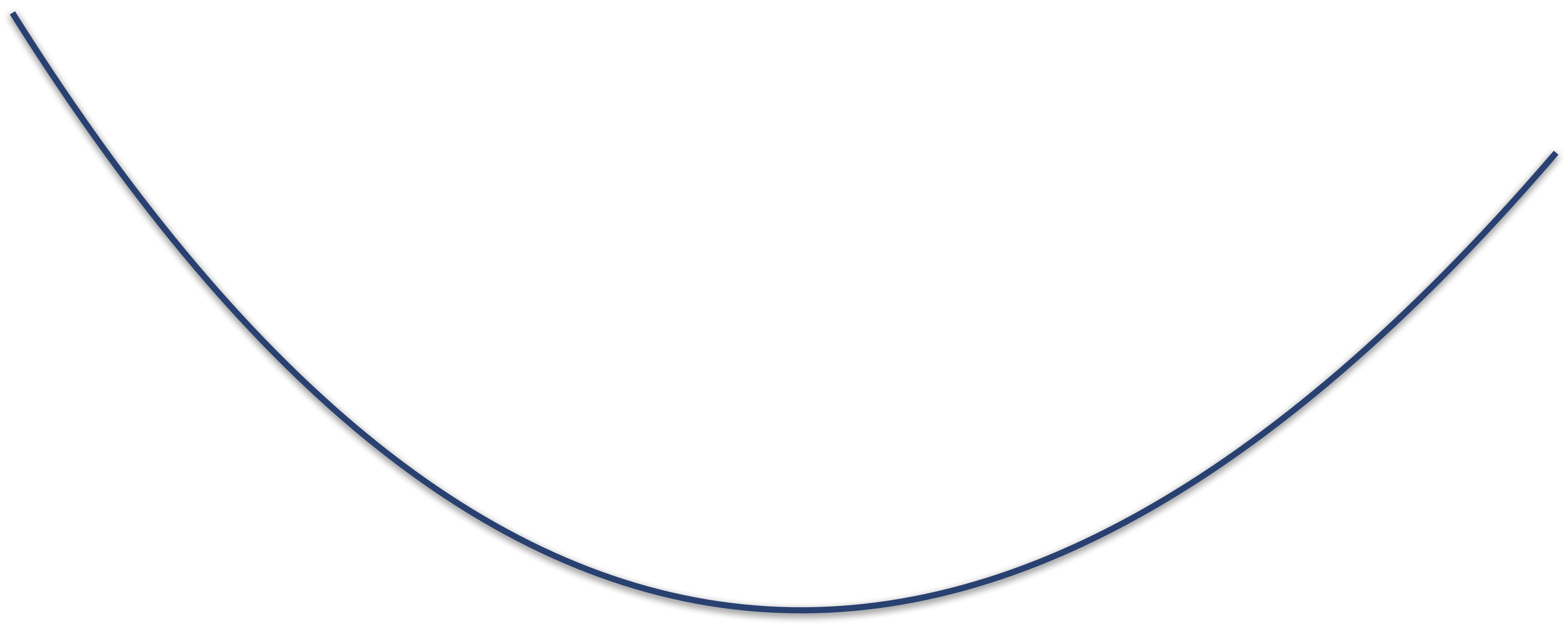




SRATC₄







To produce at the
lowest cost the firm
must use Plant 4

lowest possible cost for this industry

With higher costs, any firm
using a plant larger or smaller
than Plant 4 can't compete

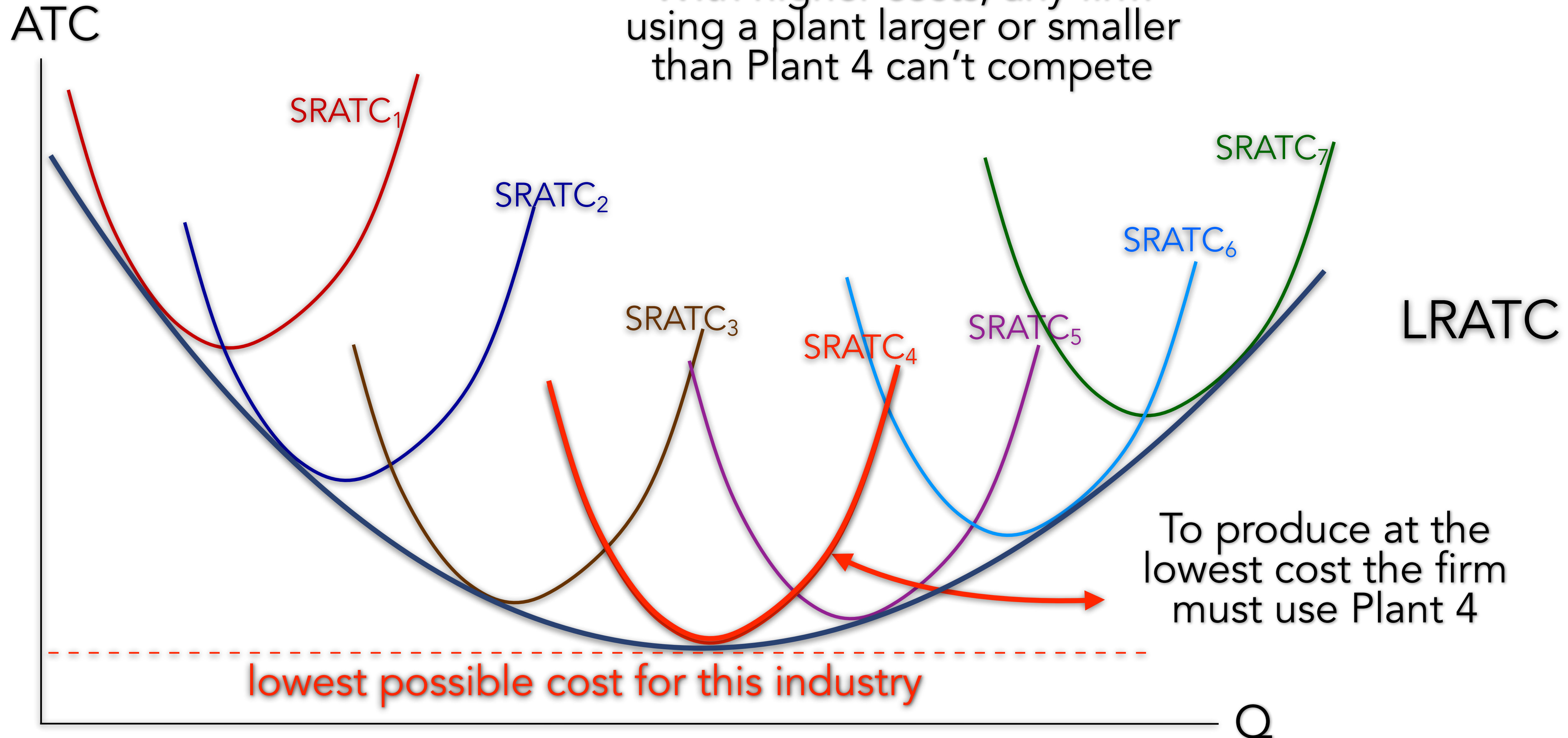
Q

ATC

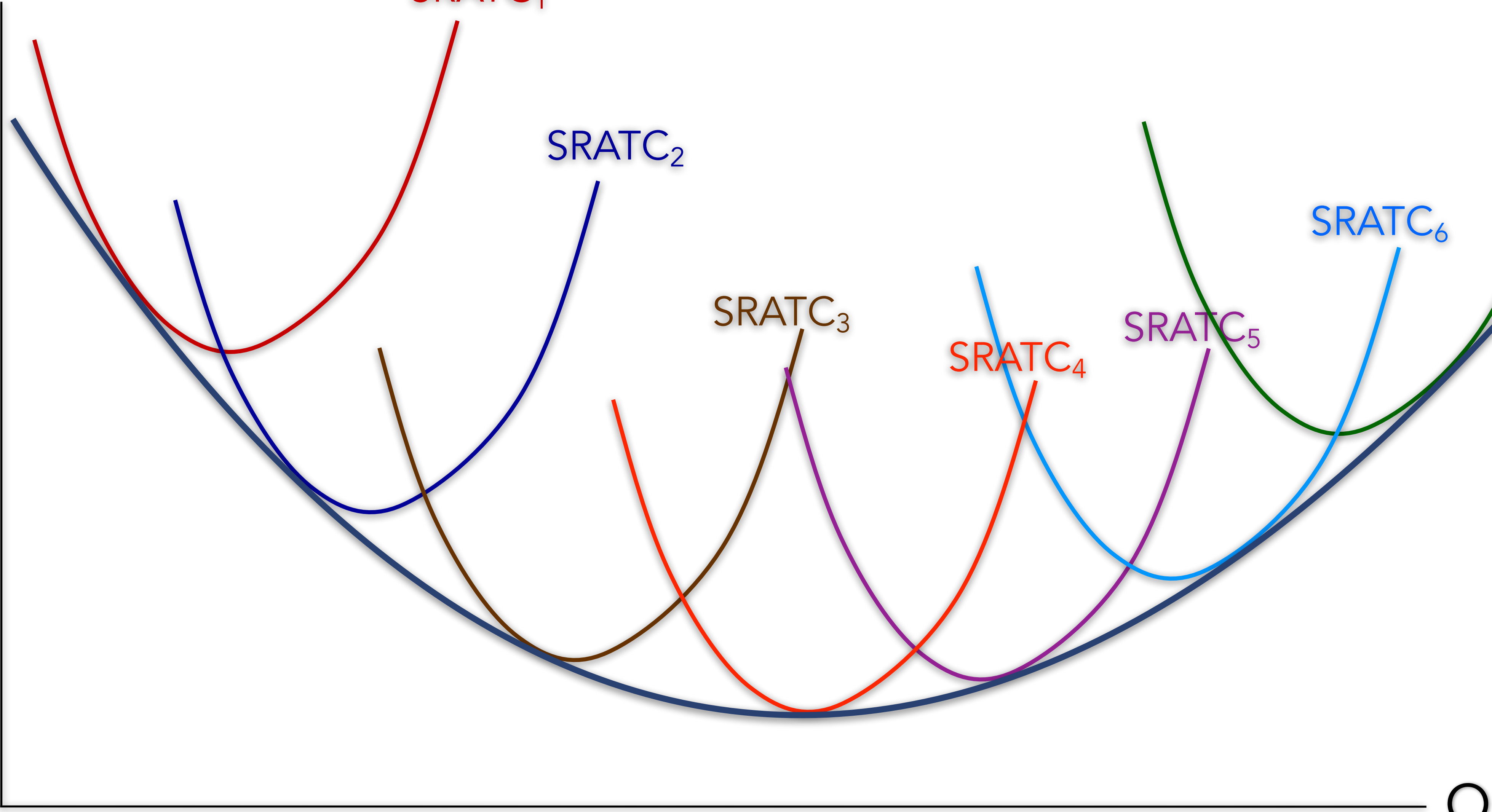
To survive in the industry a firm must produce at the lowest possible cost

To survive in the industry a firm must produce at the **lowest possible cost**

With higher costs, any firm
using a plant larger or smaller
than Plant 4 can't compete



ATC



LRATC

Q