





SRAATC





Output: 2

Cost Per Unit



\$12

-



Q_0



\$8

Q_2



\$9

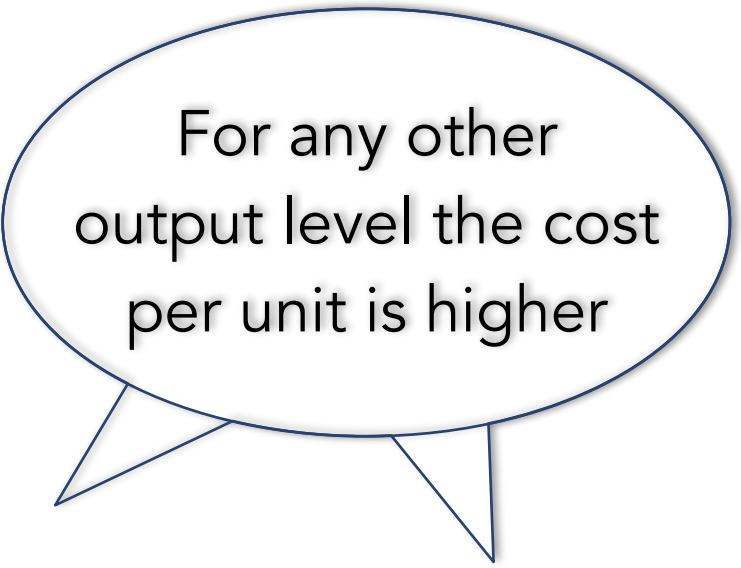


Q₃



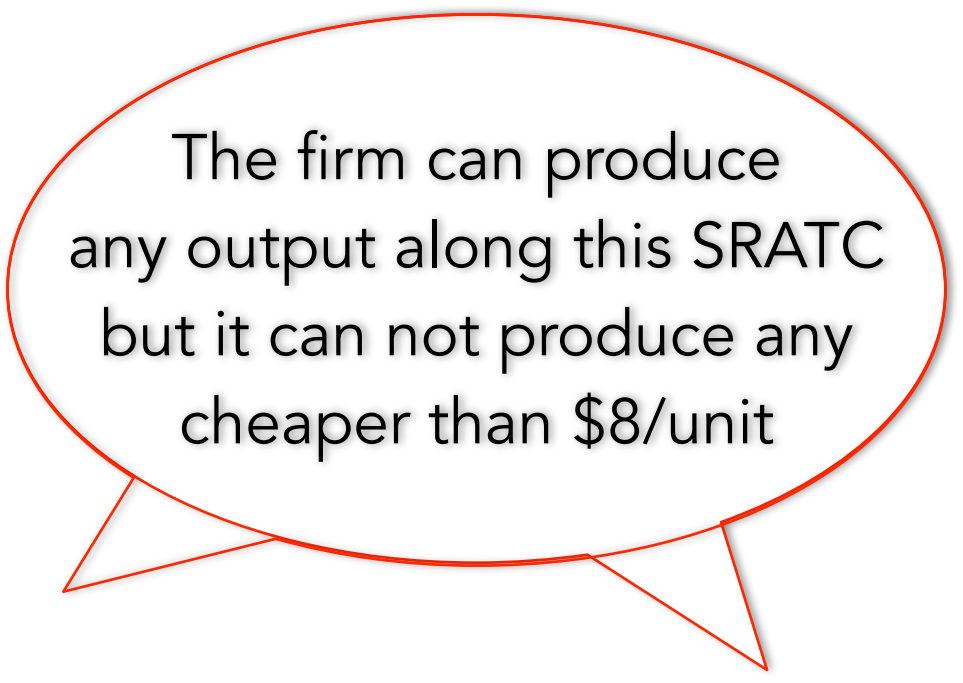
Each plant has an
output level which
minimizes the cost per
unit





For any other
output level the cost
per unit is higher

In the **Short Run**, in order to **minimize the cost per unit**, the firm can **change the output level** BUT it **CAN NOT** change the plant size

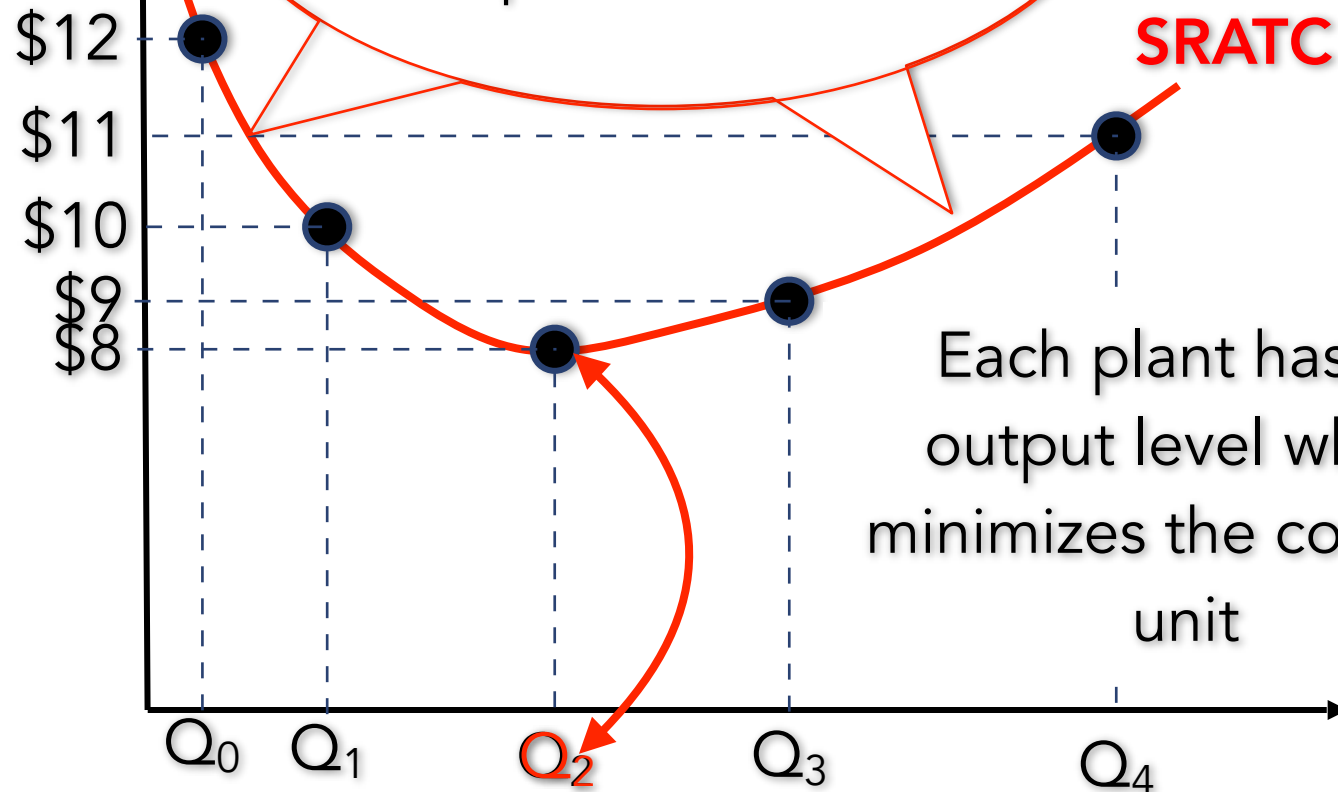
A red speech bubble with a white background and a red outline. The bubble has two small triangular tails pointing downwards and outwards. Inside the bubble, there is black text with a subtle drop shadow.

The firm can produce
any output along this SRATC
but it can not produce any
cheaper than \$8/unit

Q_2

Cost Per Unit

The firm can produce any output along this SRATC but it can not produce any cheaper than \$8/unit



Each plant has an output level which minimizes the cost per unit

Output: Q

