

Short Run vs. Long Run

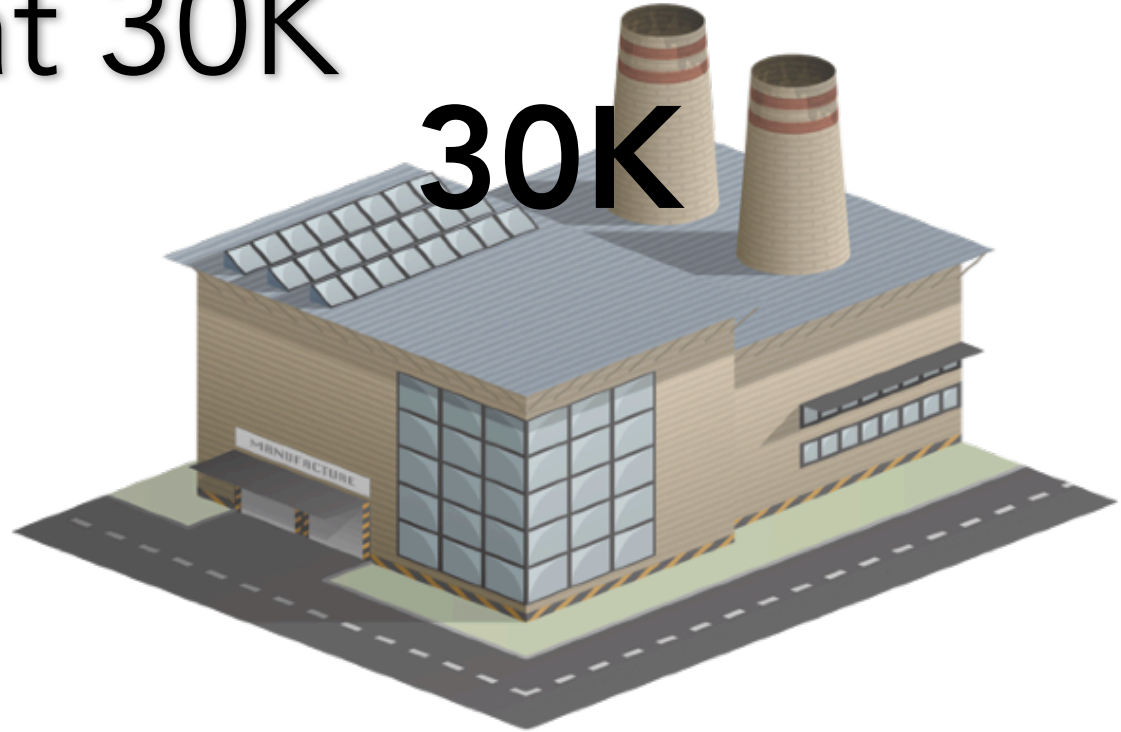
Run three shifts
(hire more workers)
but can't expand
the size of the plant
(can not build more
factories)



What can be done
in the short run?

Long run: Firms can expand the plant size (build more factories) and hire more workers

Short Run: Plant
size is fixed at 30K
units

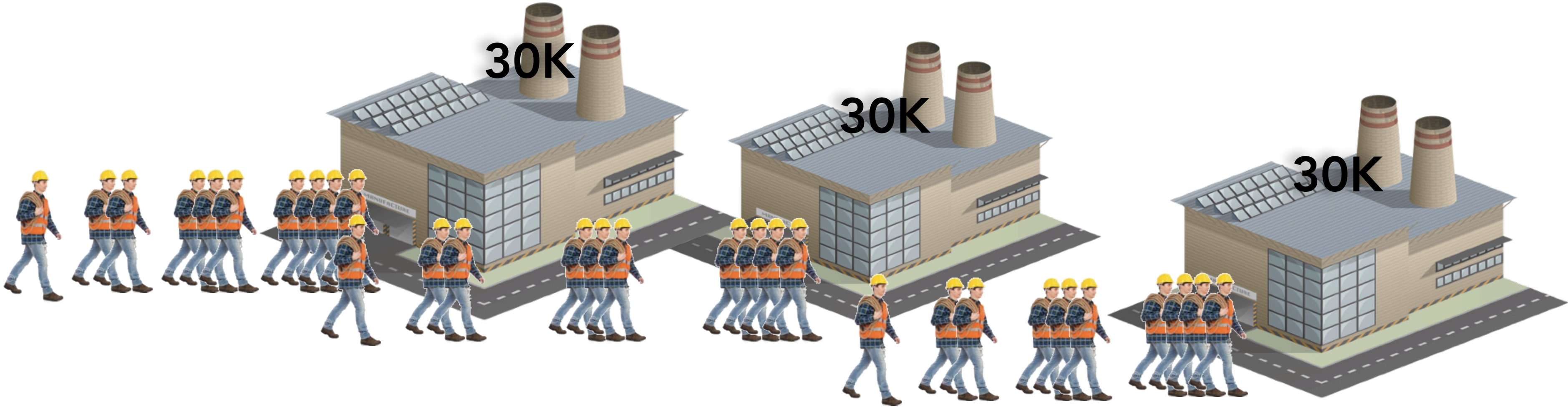








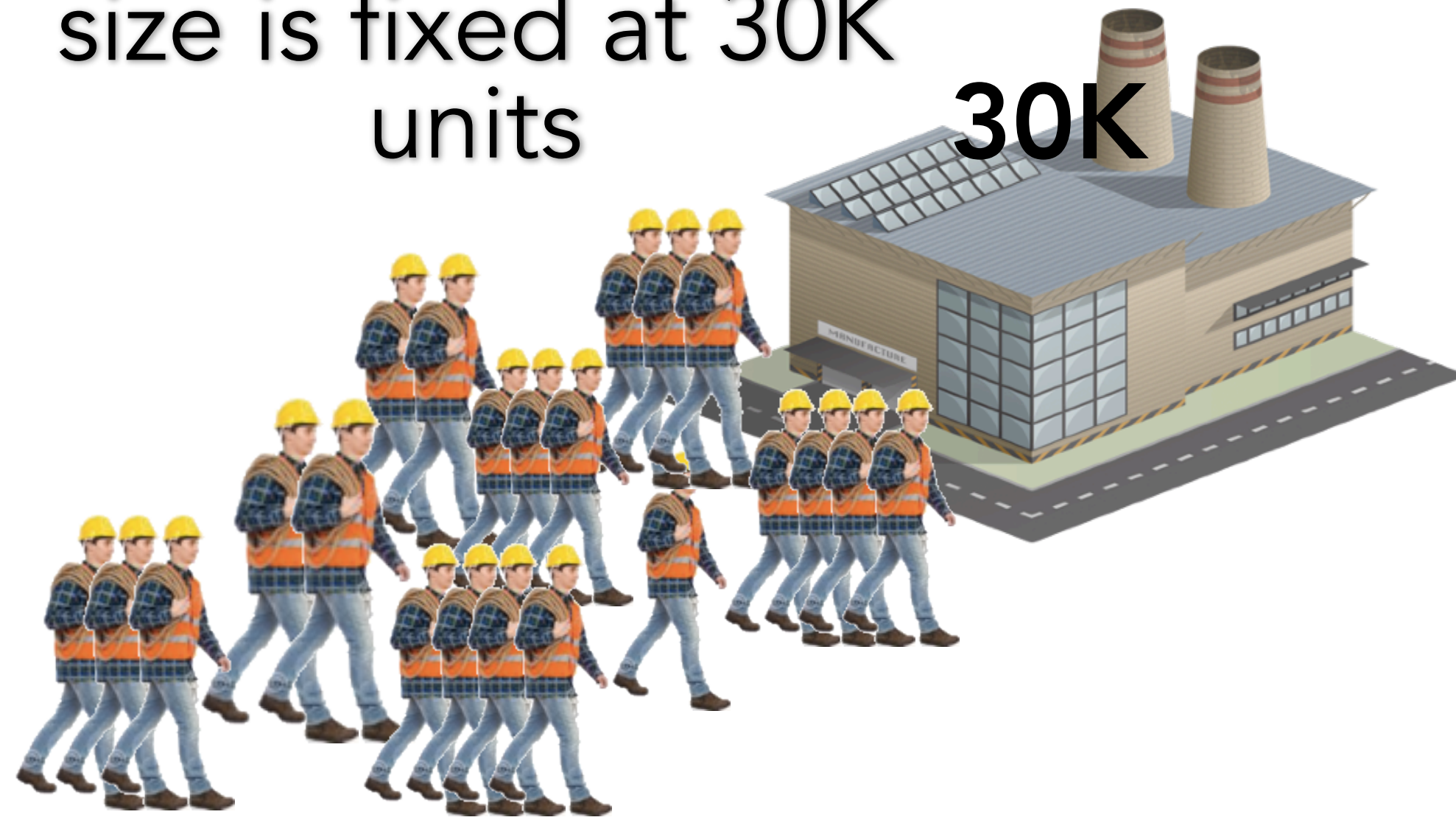
Pandemic creates the need to produce more face masks



Pandemic creates the need to produce more face masks

Short Run vs. Long Run

Short Run: Plant size is fixed at 30K units



What can be done
in the short run?

Run three shifts
(hire more workers)
**but can't expand
the size of the plant**
(can not build more
factories)

Long run: Firms can expand the
plant size (build more factories) and
hire more workers

