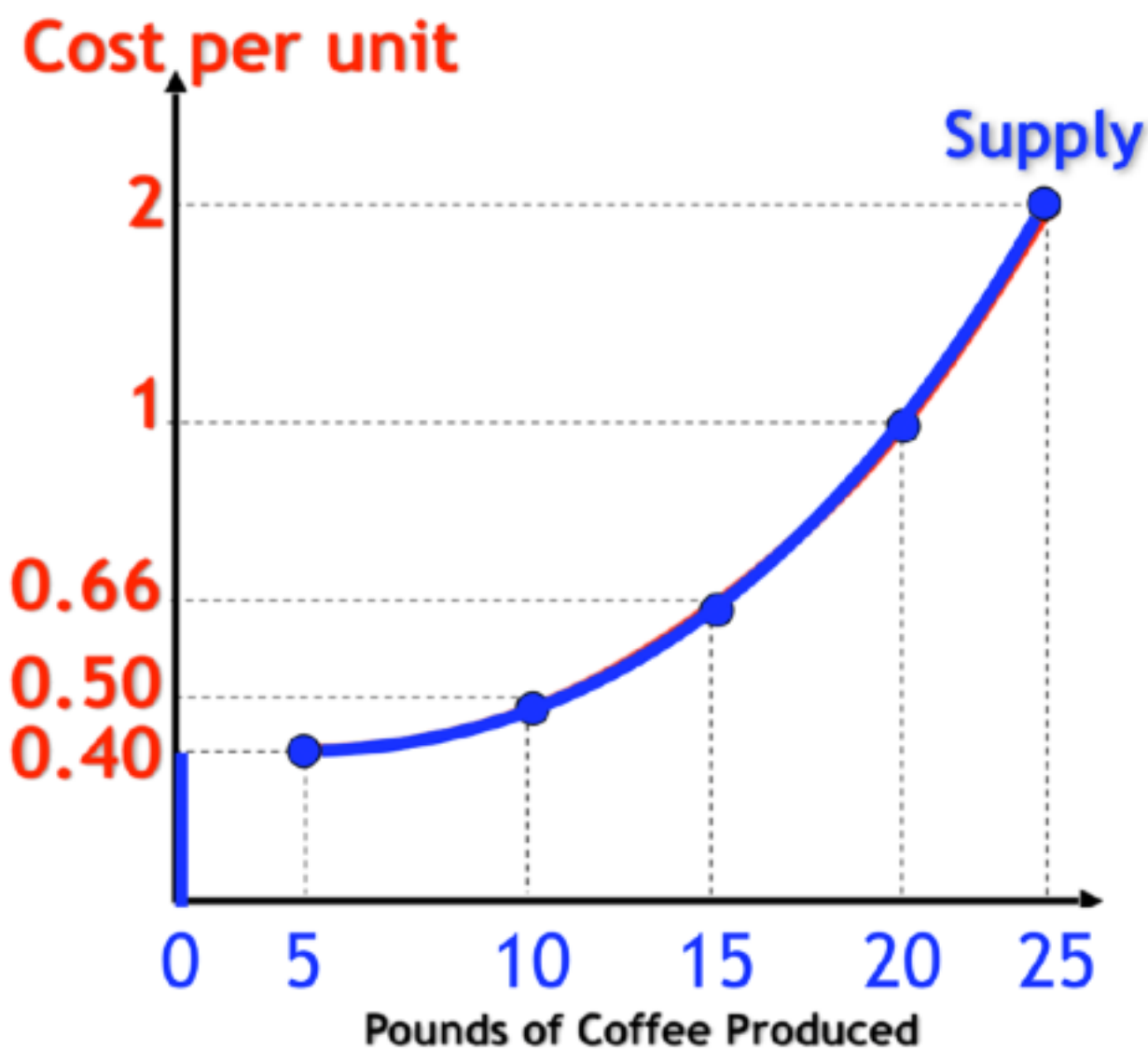


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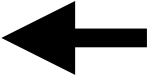
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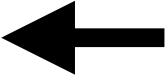


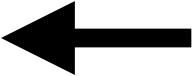
Increase in Costs

New
Higher
Costs

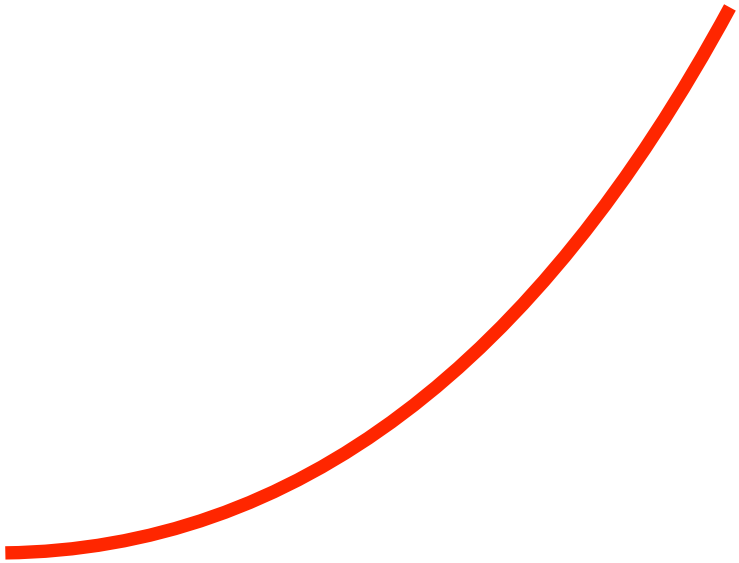
**New
lower
Supply**

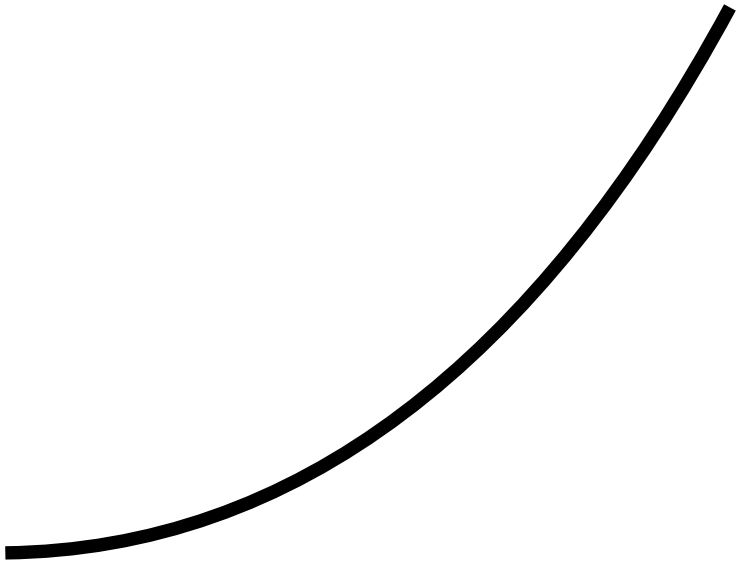






***Perfectly
Competitive
Producers
can not
increase the
price to
cover
higher costs***





*When costs
increase,
producers
decrease the
amount
supplied*

Supply Shifts Left







Increase in Costs

When costs
increase,
producers
decrease the
amount
supplied

