

Short Run vs. Long Run

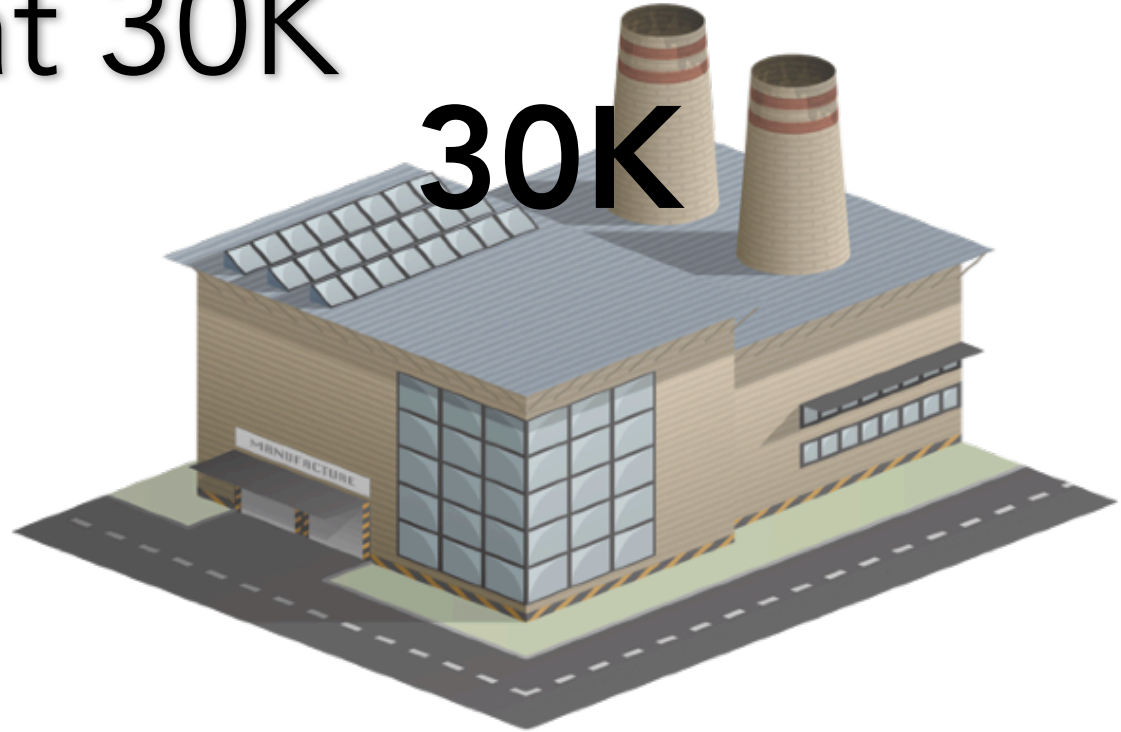
Run three shifts
(hire more workers)
but can't expand
the size of the plant
(can not build more
factories)



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

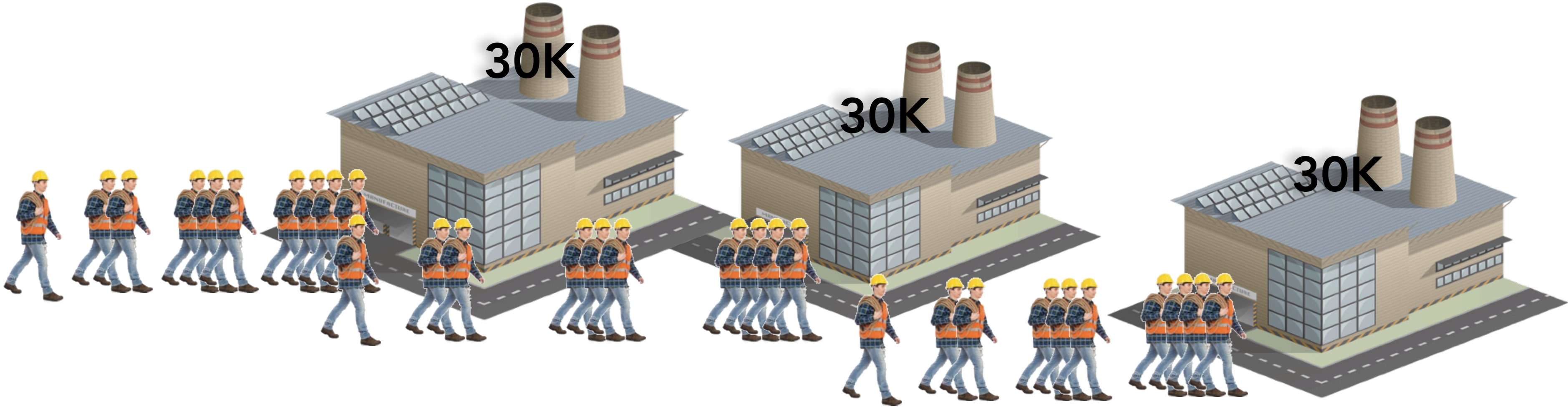








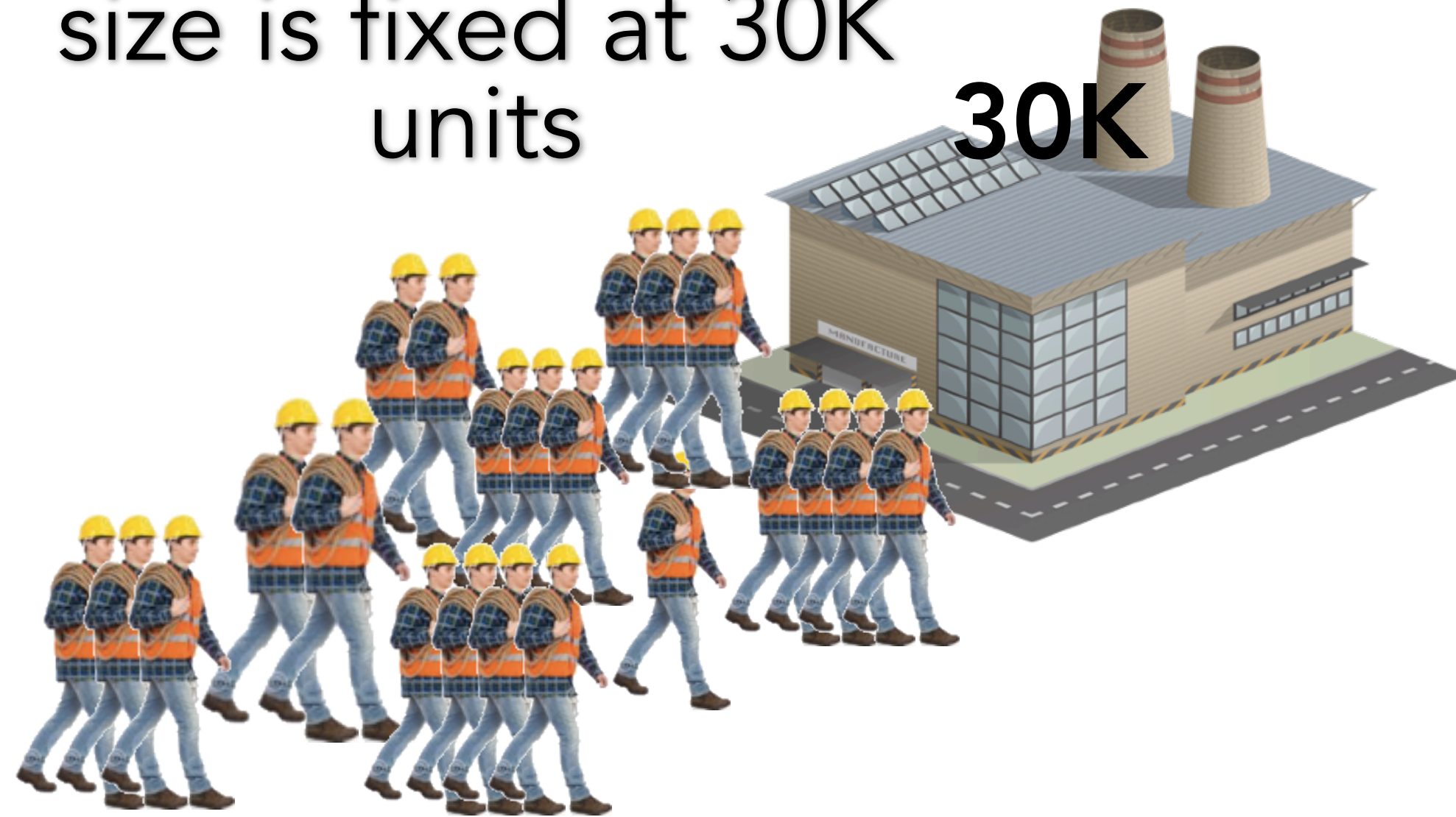
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