

SRAATC





Output: 0

Cost Per Unit



\$12 - ●



Q_0

\$10



Q₁

\$8

Q_2



\$9



Q_3

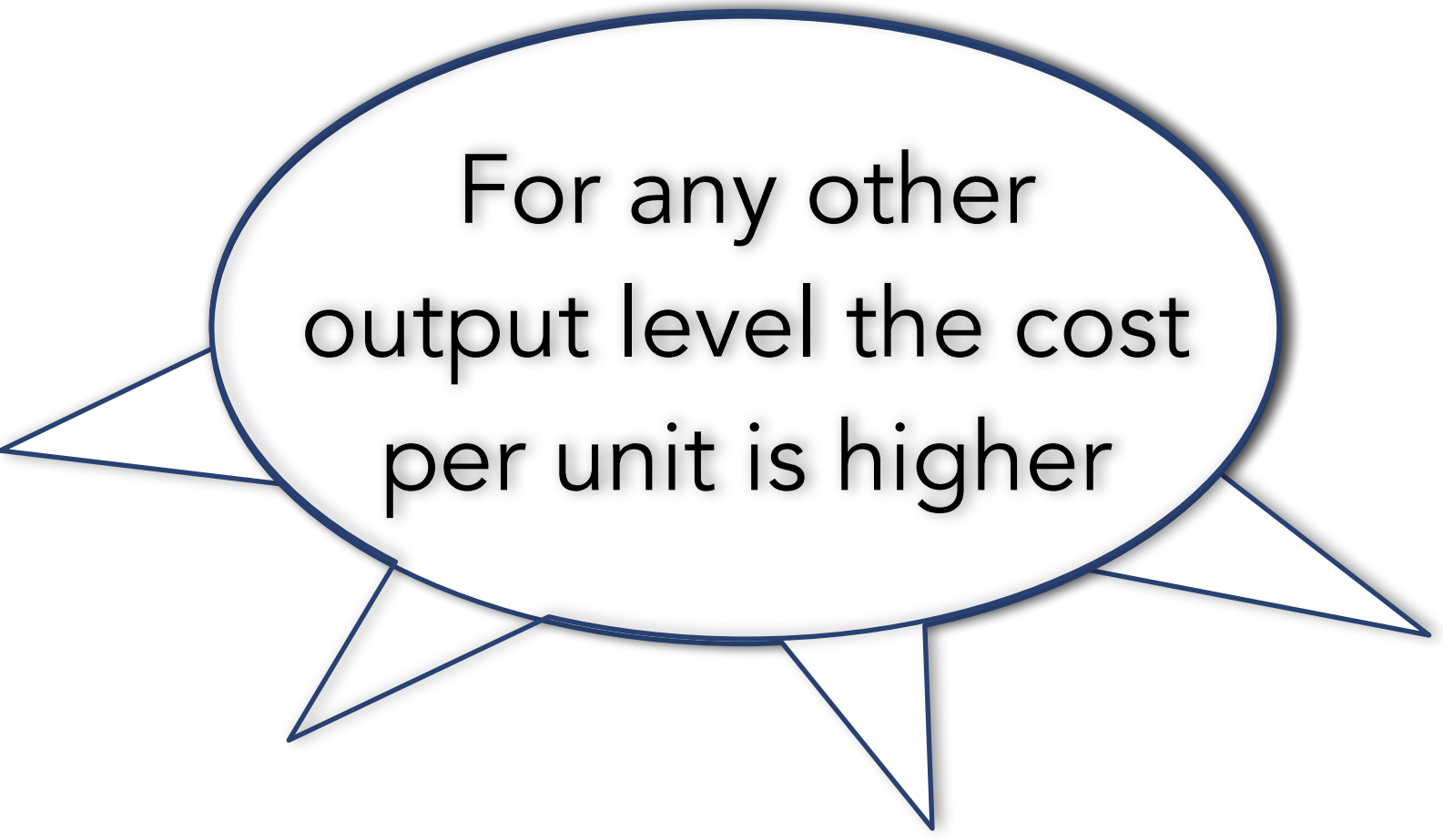
\$11



Q₄

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

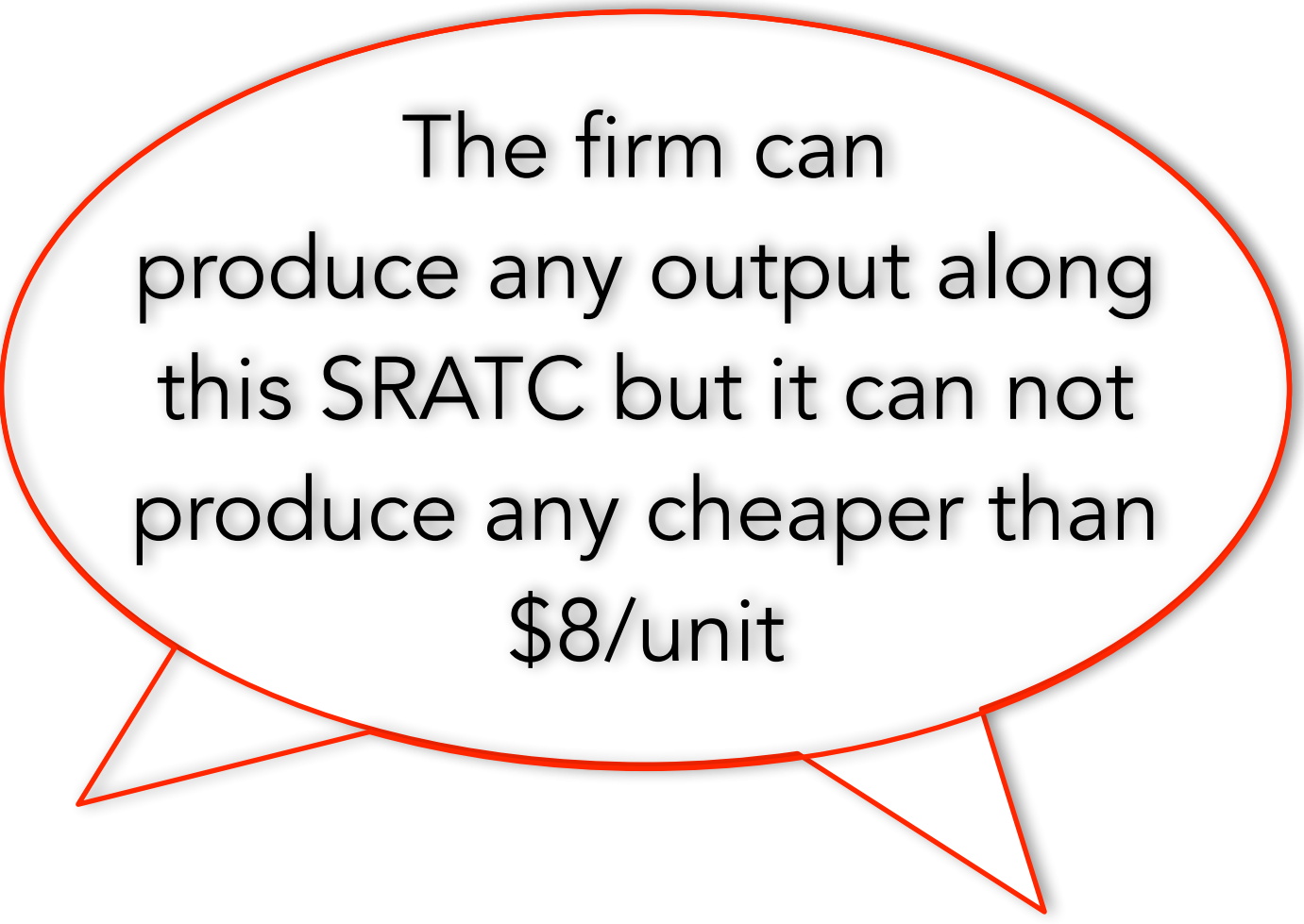




For any other
output level the cost
per unit is higher

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



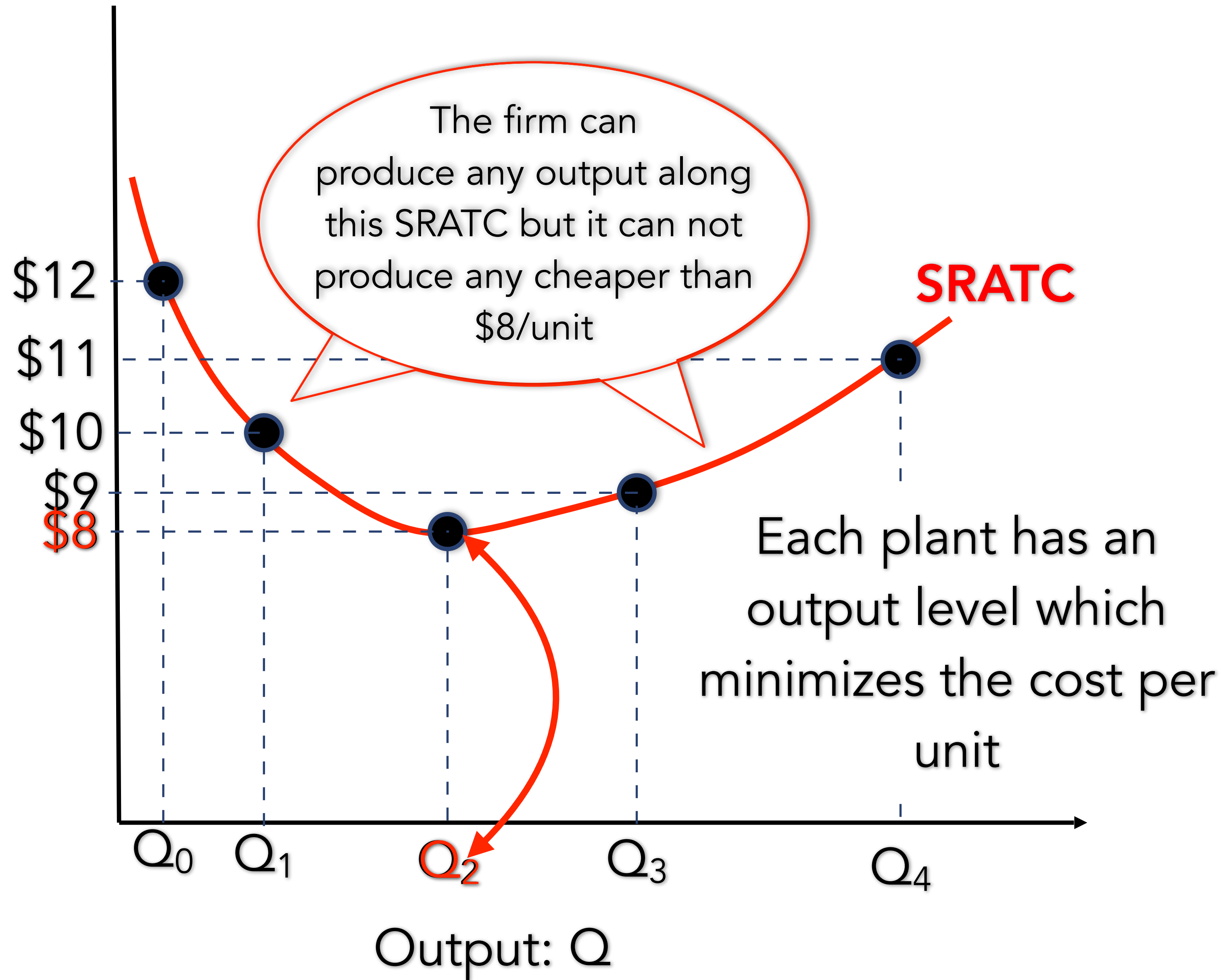
The firm can
produce any output along
this SRATC but it can not
produce any cheaper than
\$8/unit

Q2

\$

8

Cost Per Unit



C
o
s
t

P
e
r

U
n
i
t

