

In the long run firms choose a plant size...

There is no single
"best" plant size...

Which plant is
“best” depends on
the volume of
production.

Output	SRATC1	SRATC2	SRATC3
100	10	13	17
200	9	11	15
300	8	9	13
400	7	8	12
500	8	6	11
600	9	5	10
700	10	6	9
800	11	7	8
900	12	8	7
1000	13	9	8
1100	14	10	9

SRATC₁

SRATC₂

SRATC₃

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Building the LRATC

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