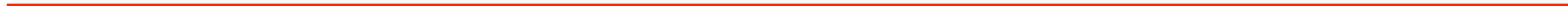
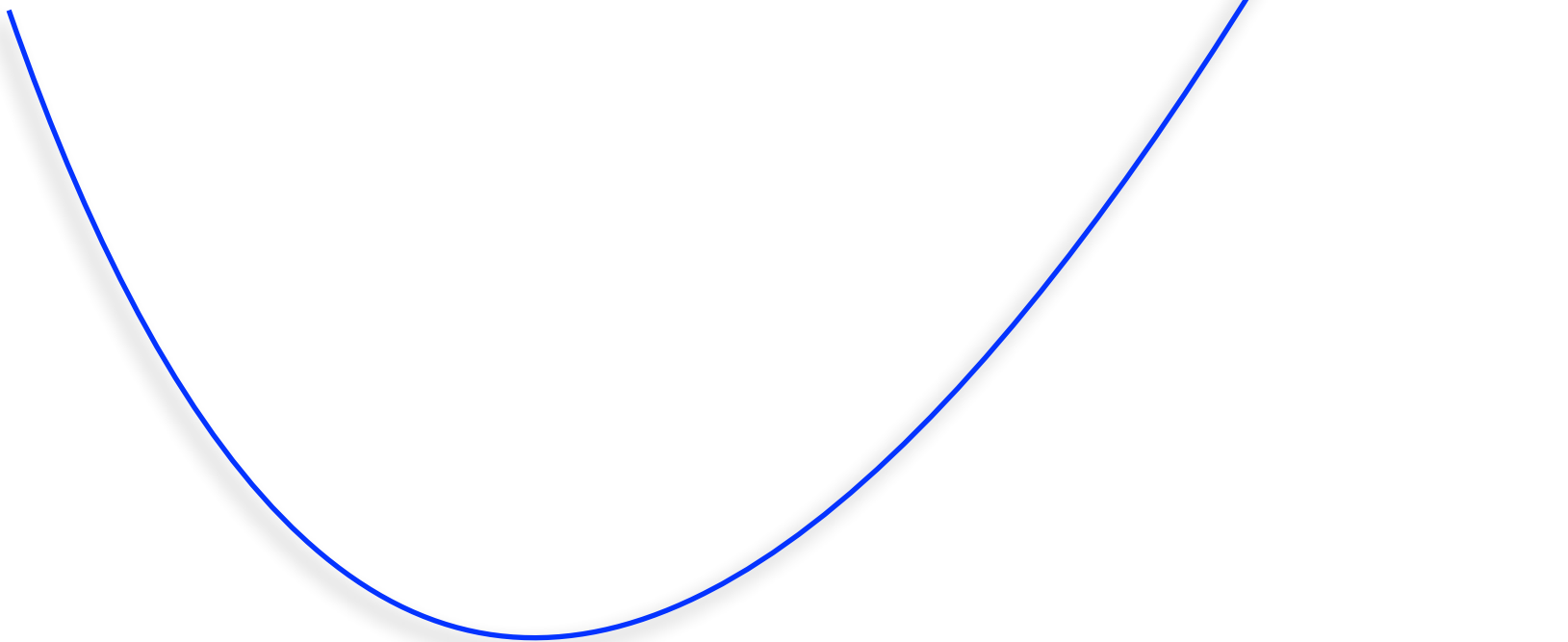


$P=MR$



MC = SRATC at  
the minimum ATC

MC





**P** == **MR** == **MC**



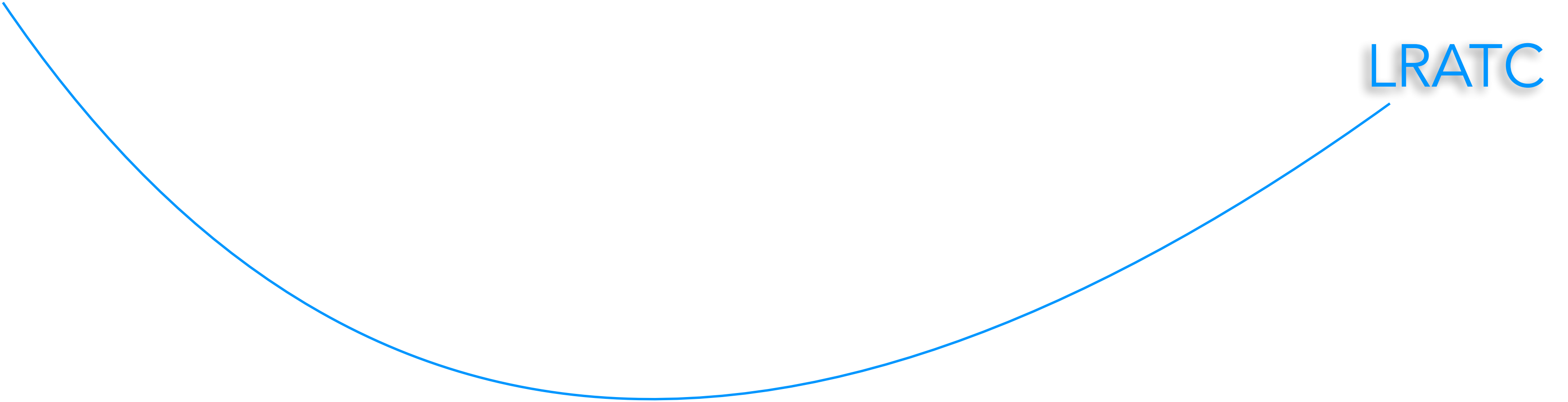
SRATC = LRATC

P = SRATC



A thick, magenta U-shaped curve is plotted on a white background. The curve starts at a high point on the left, descends to a minimum point in the lower-middle section, and then ascends towards the right. The label 'SRATC' is positioned to the right of the curve's minimum point, with a short magenta line segment extending from the curve's right-hand side towards the text.

SRATC

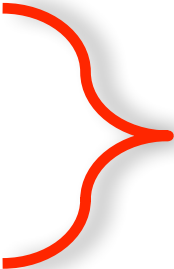


LRATC



$$MC = MR = P = \text{Minimum SRATC} = \text{Minimum LRATC}$$

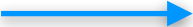






MIC = SRATC





The  $SRATC = LRATC$   
only when  $ATC$  is at its  
minimum

For firms to be  
maximizing Profit

For firms to be  
earning zero Profit/  
Loss

For firms to be using the plant  
that minimizes the LRATC

Long Run Equilibrium Condition: In graphic form



P,

MC,

MR,

ATC



# Long Run Equilibrium Condition: In graphic form

For firms to be maximizing Profit

$$P = MR = MC$$

$$P = SRATC$$

For firms to be earning zero Profit/  
Loss

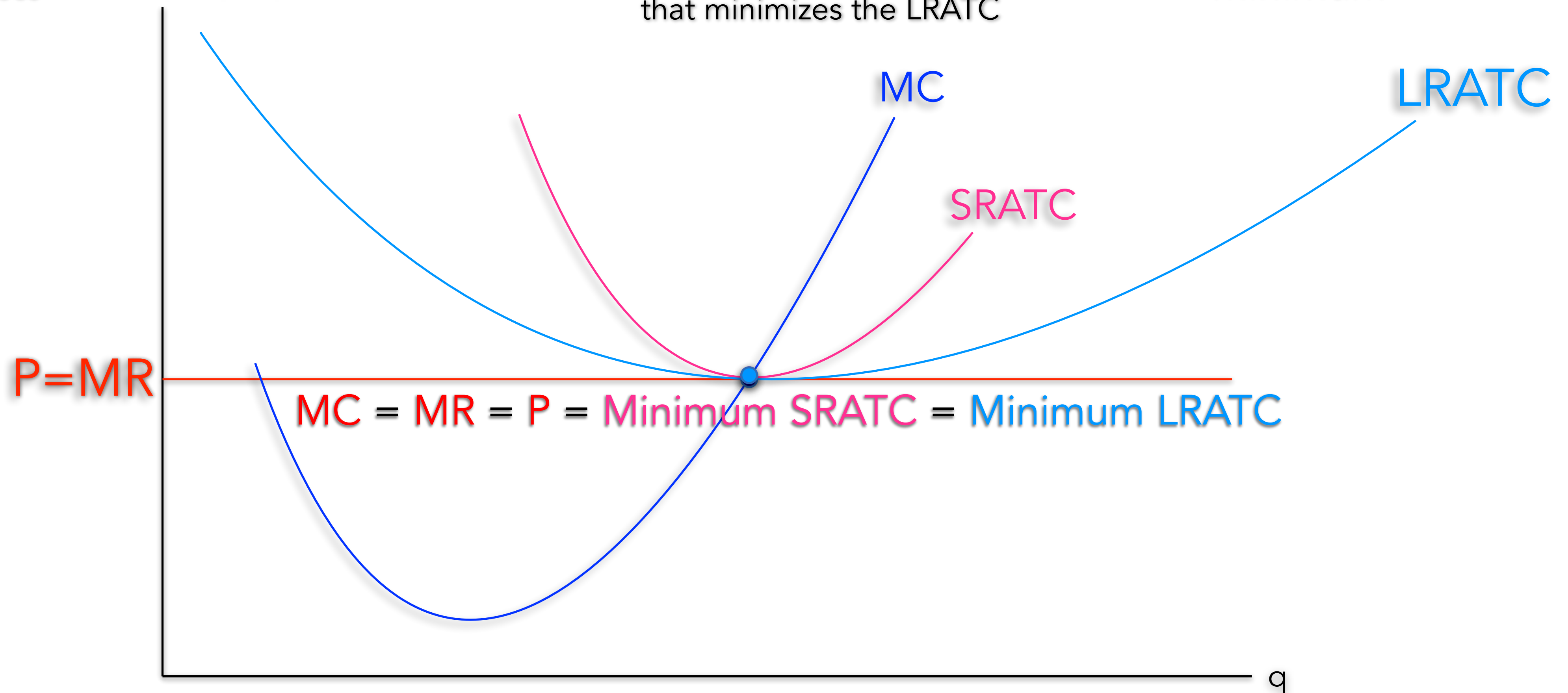
$P, MC, MR, ATC$

$$MC = SRATC$$

$MC = SRATC$  at  
the minimum ATC

$SRATC = LRATC$  →  
For firms to be using the plant  
that minimizes the LRATC

The  $SRATC = LRATC$   
only when ATC is at its  
minimum



# Long Run Equilibrium Condition

