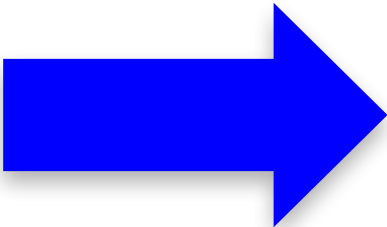


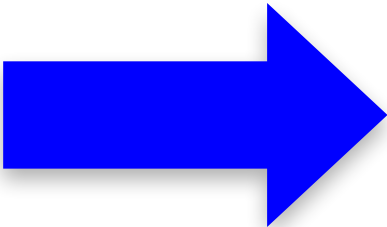
For Equilibrium in the Industry in the Long Run

1. Firms must be
maximizing
Profits



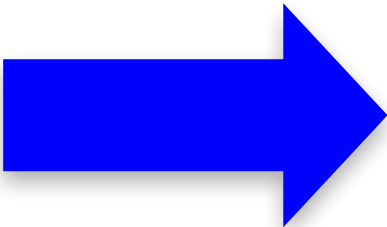
PR=NR=MMC

2. Firms must be
Minimizing
Long Run Costs



MinSRATC = MinLRATC

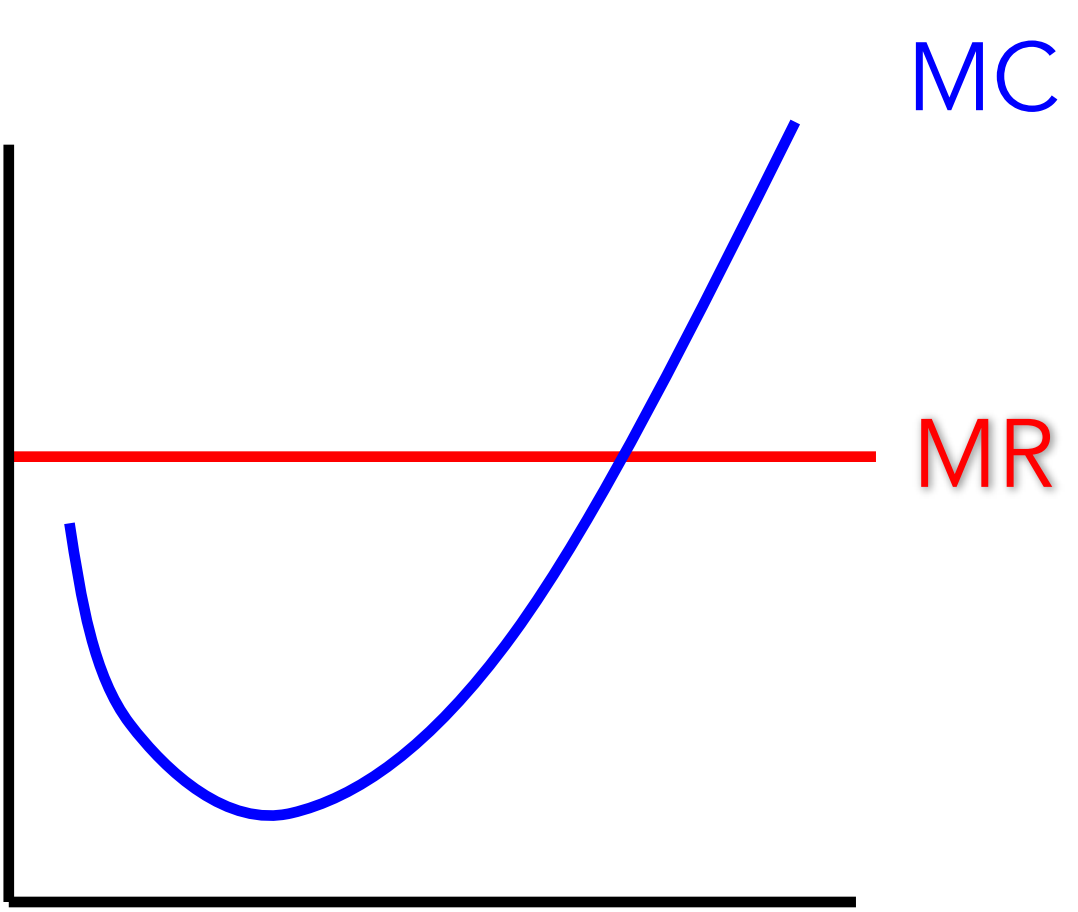
3. Firms must be
earning Zero
Economic Profit



P

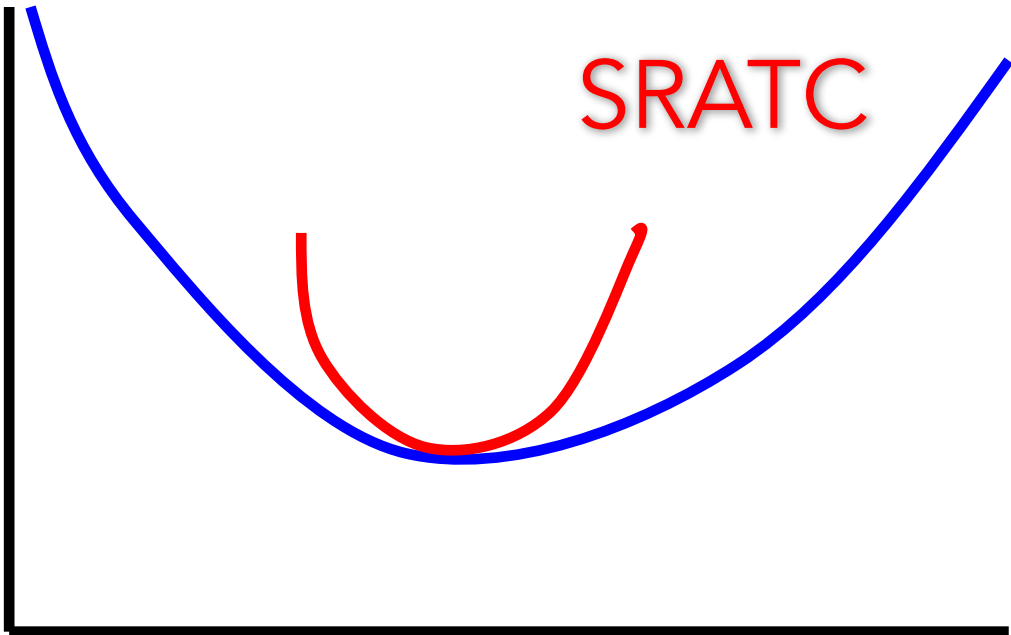
=

ATC



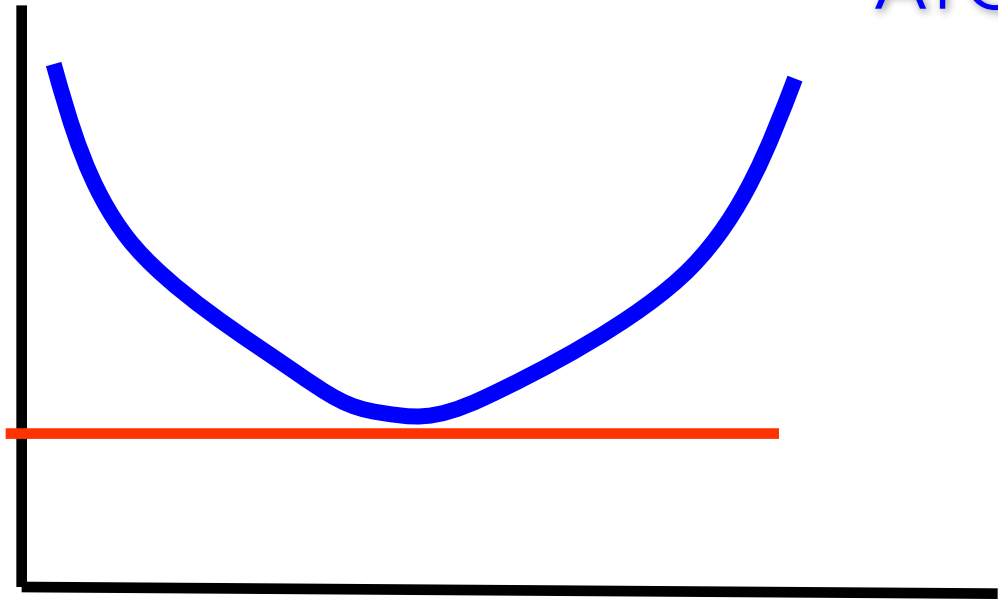
LRATC

SRATC



ATC

P



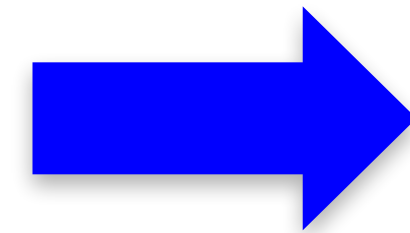




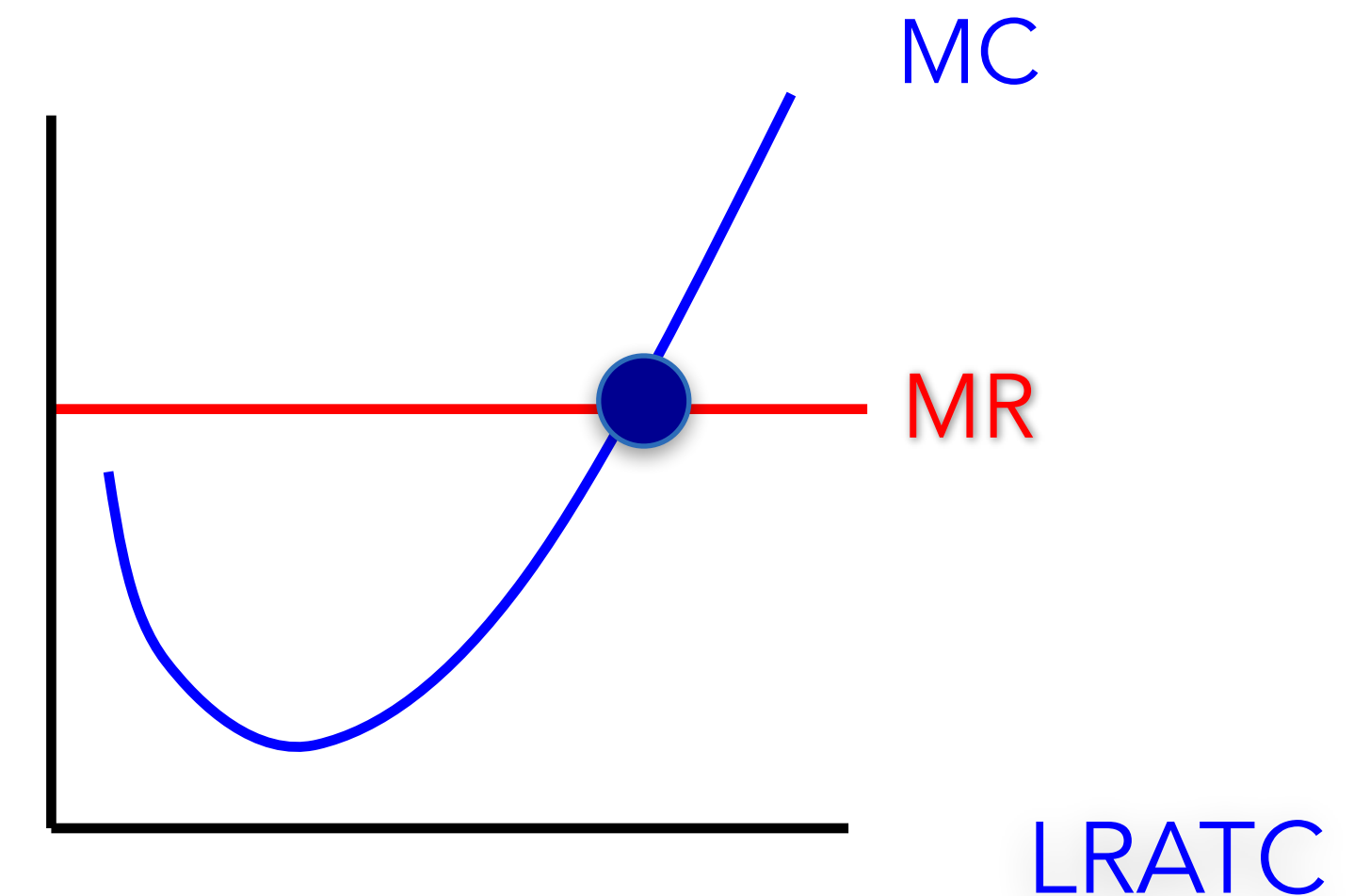


For Equilibrium in the Industry in the Long Run

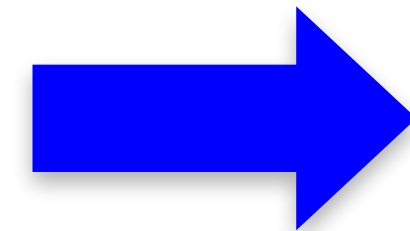
1. Firms must be maximizing Profits



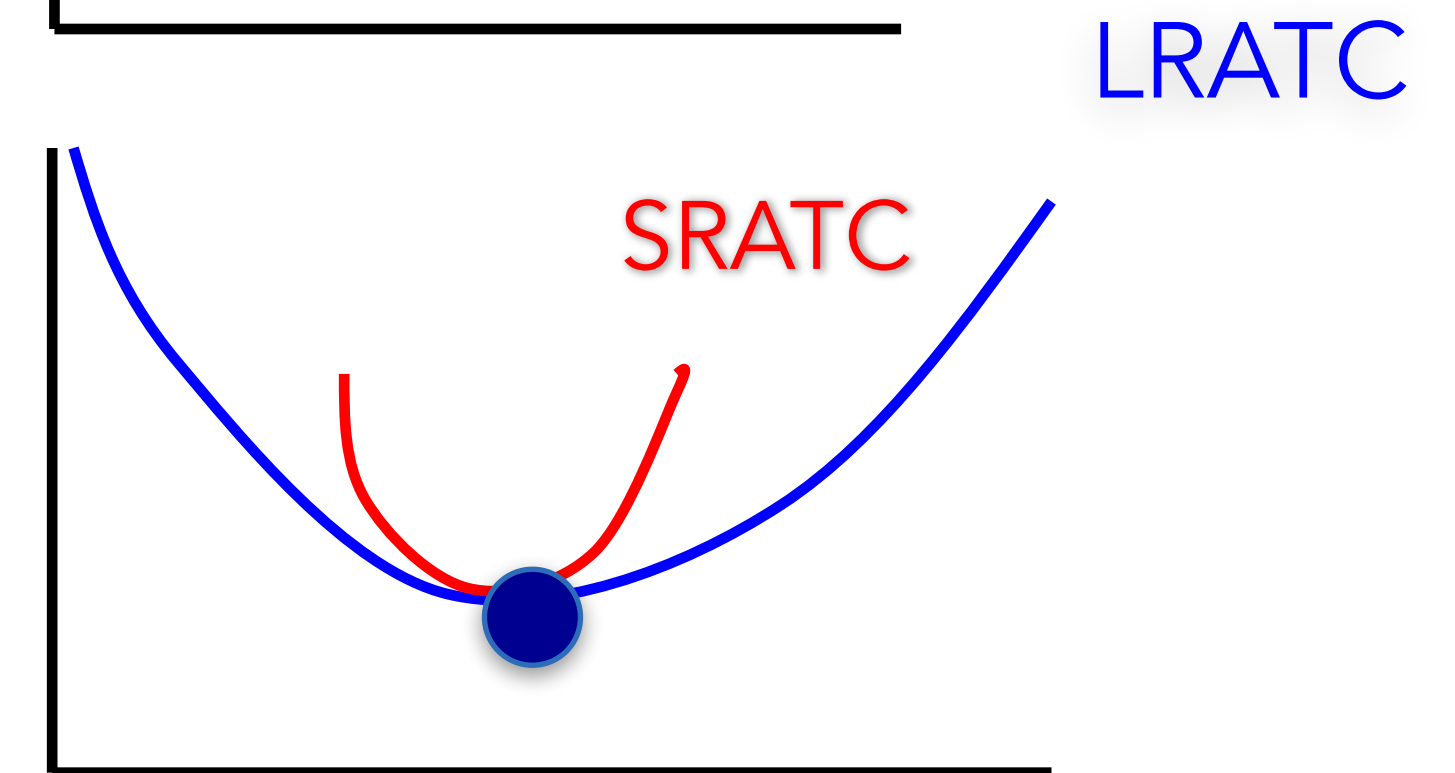
$$P = MR = MC$$



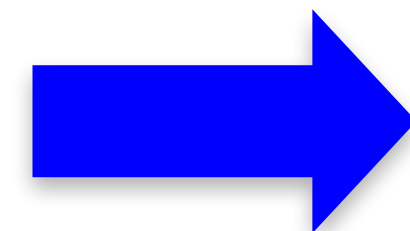
2. Firms must be Minimizing Long Run Costs



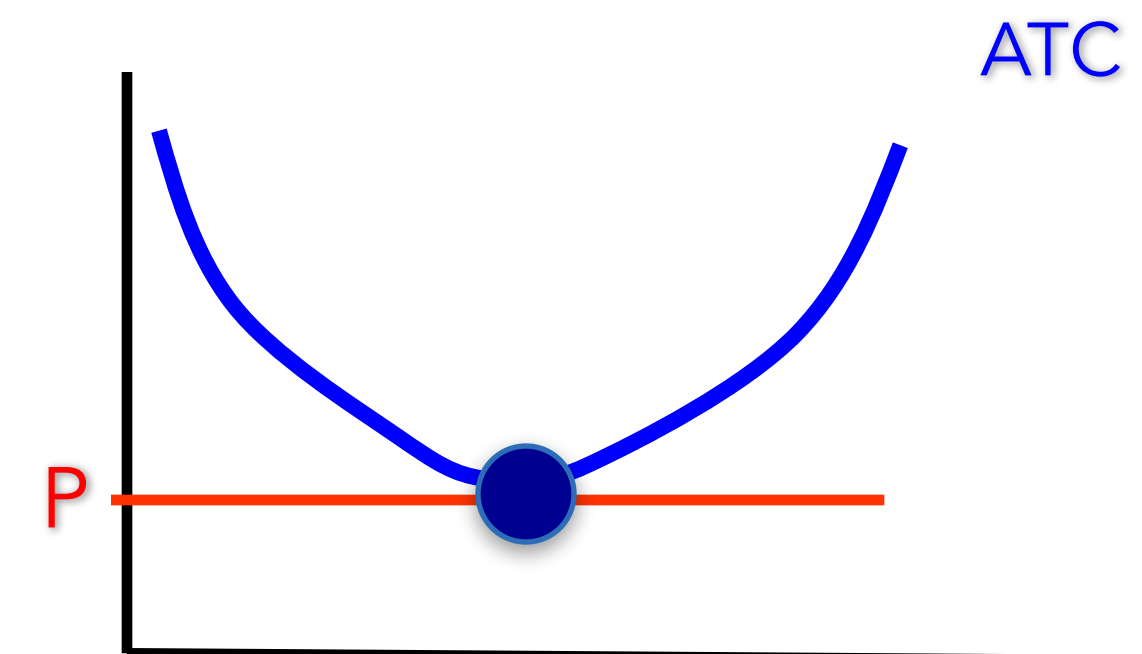
$$\text{Min SRATC} = \text{Min LRATC}$$



3. Firms must be earning Zero Economic Profit



$$P = ATC$$



Long Run Equilibrium Condition