

SRATC₁

SRATC₂

SRATC₃

SRAATC4

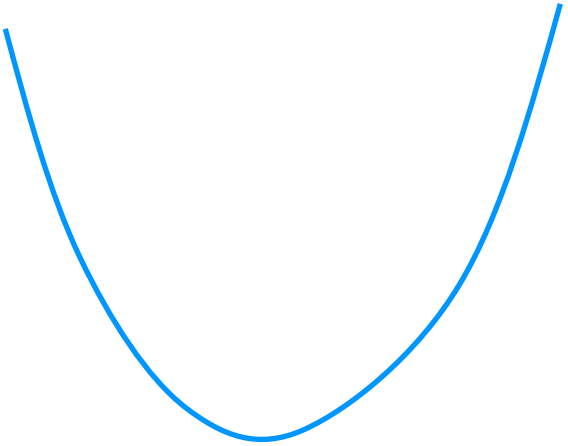
SRATC₅

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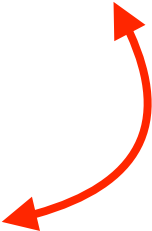
SRATC₇

LRATIC

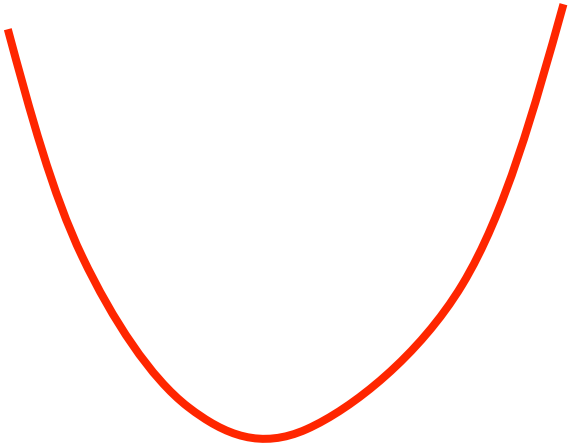


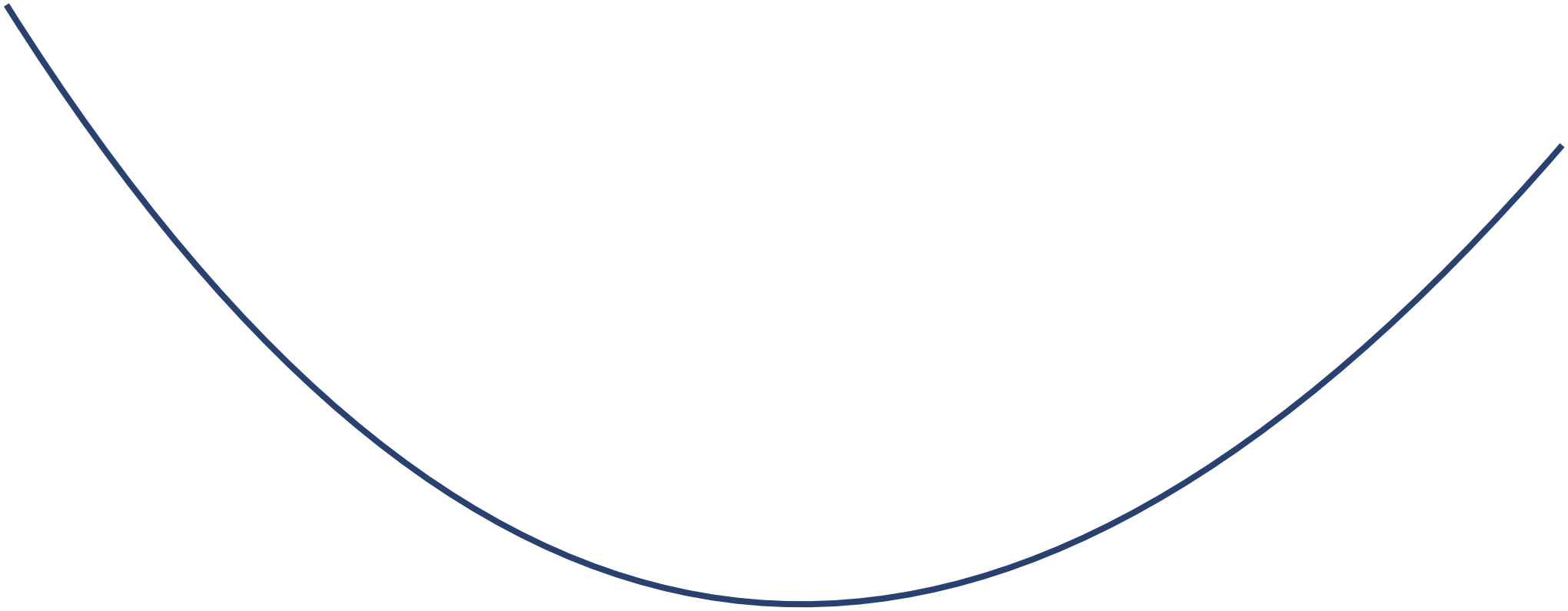


To survive in the industry a firm must produce at the lowest possible cost



SRATC₄





To produce at the lowest
cost the firm must use
Plant 4

lowest possible cost

With higher costs, any
firm using a plant larger
or smaller than Plant 4
can't compete

To survive in the industry a firm must produce at the lowest possible cost

To produce at the lowest cost the firm must use Plant 4

With higher costs, any firm using a plant larger or smaller than Plant 4 can't compete

