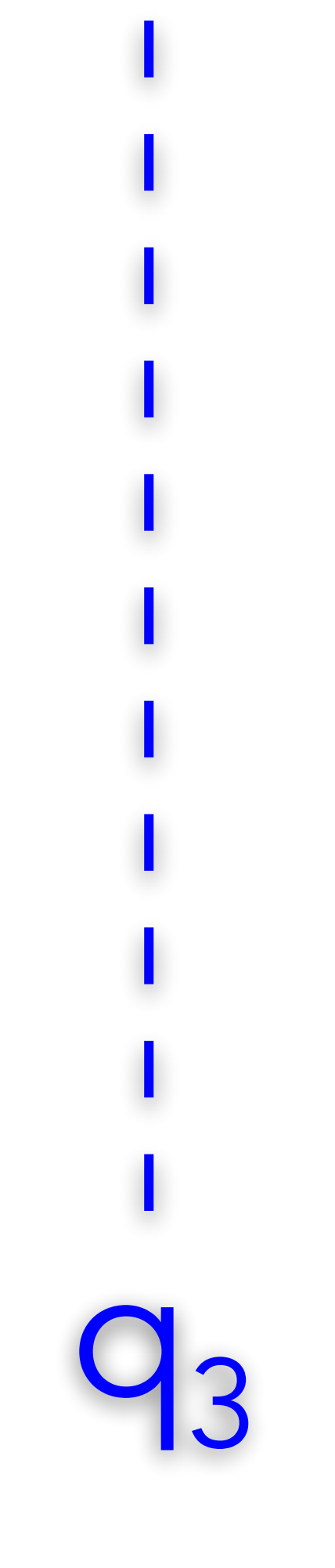
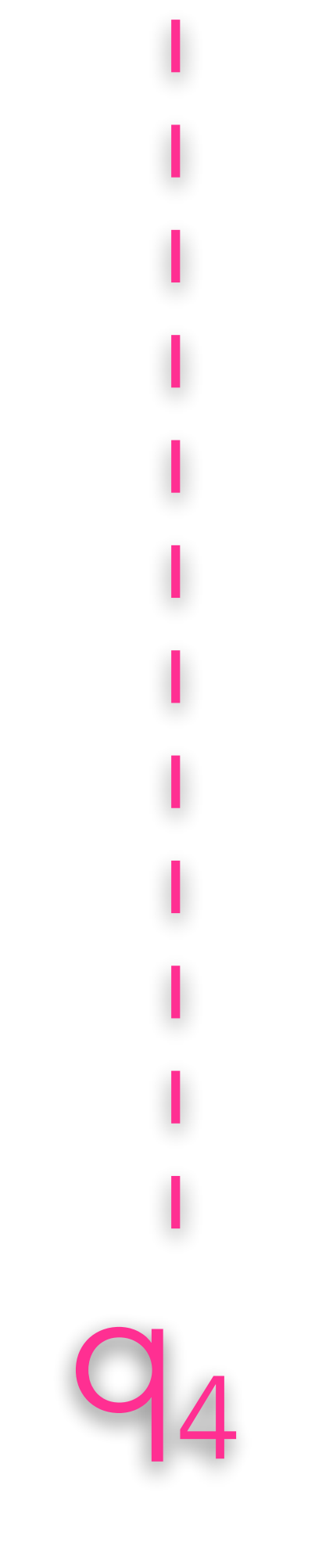
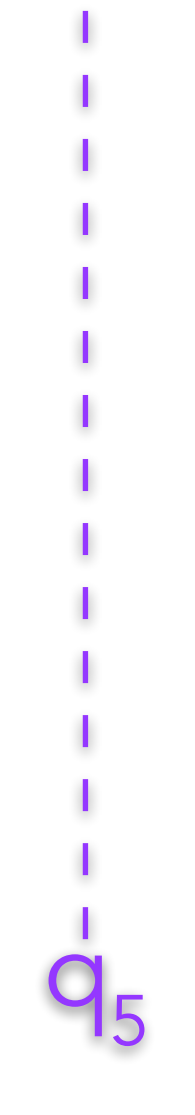
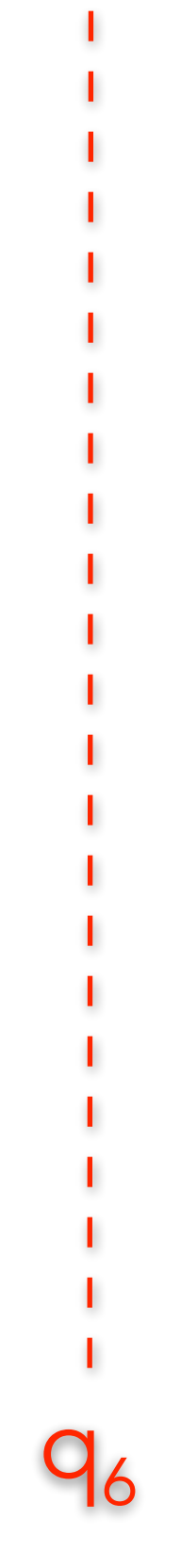

q3


q4


q_5


q_6

$$MR = P_6$$

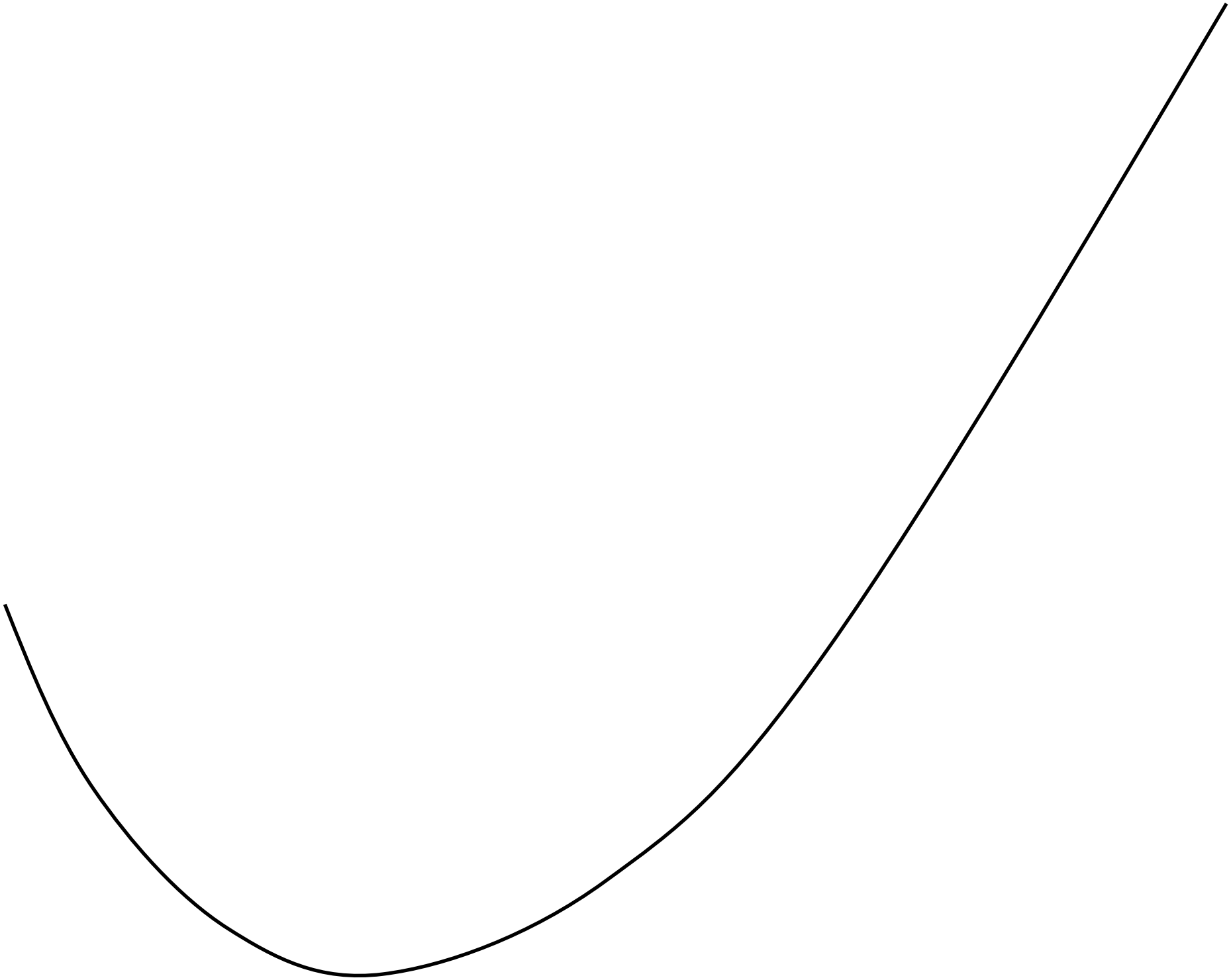
$$MR = P_5$$

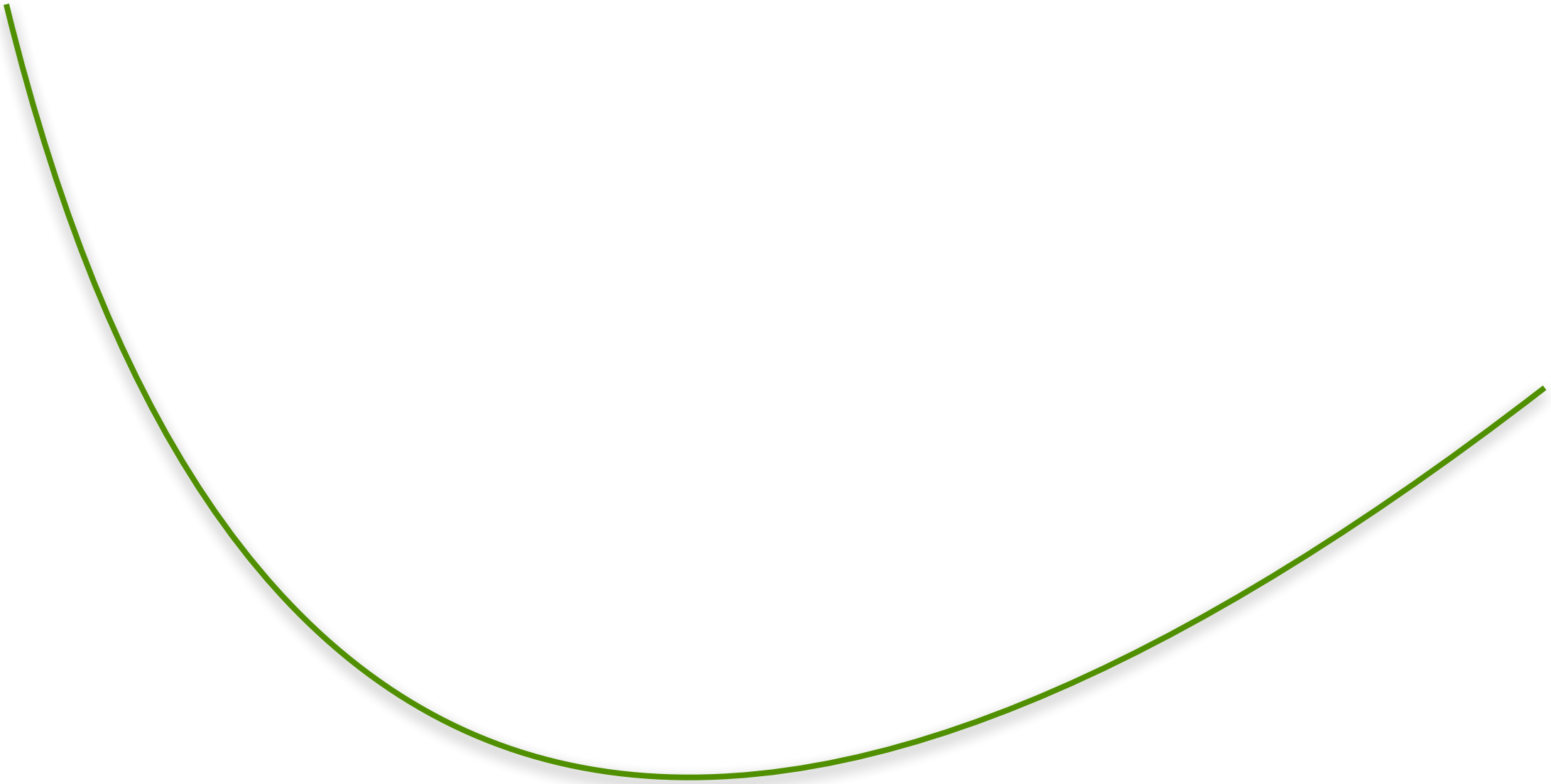
$$MR = P_4$$

MC


AVC


P_1
$MR=P_1$



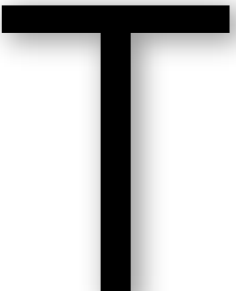


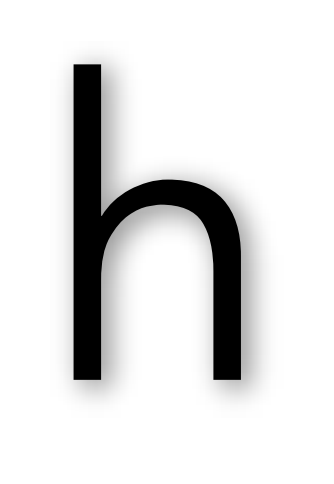

P_0
$MR=P_0$

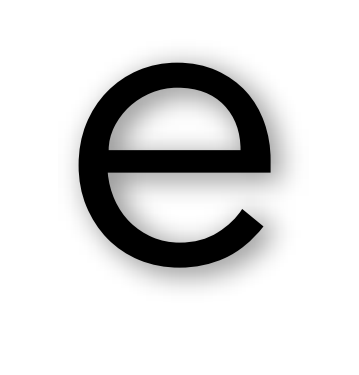

q = 0
q2

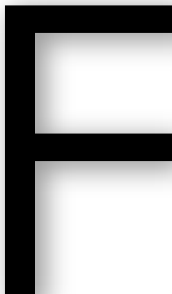
$$q = 0$$

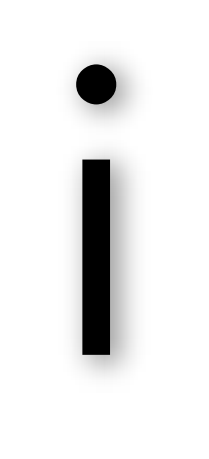
$$q = 0$$

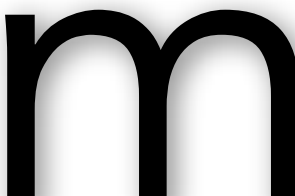


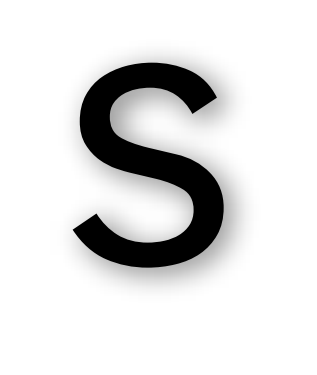








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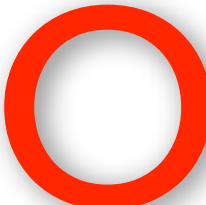
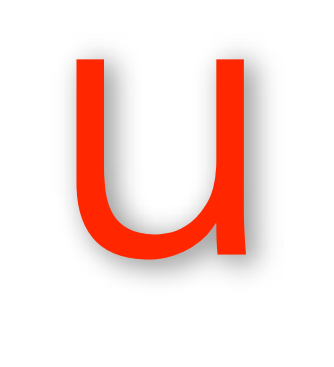
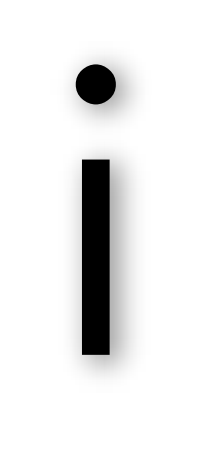
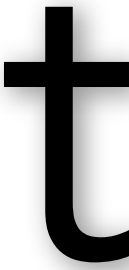
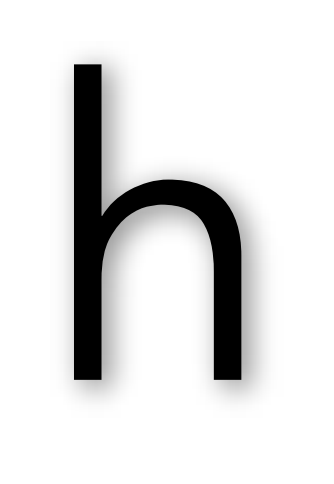
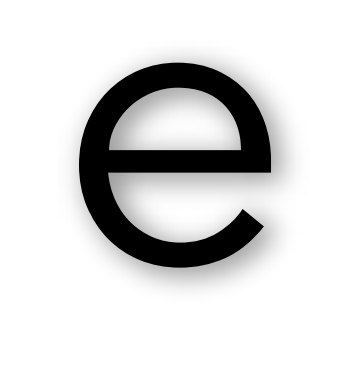




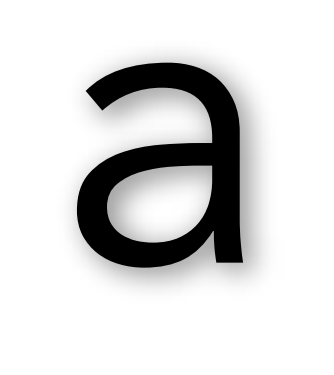









a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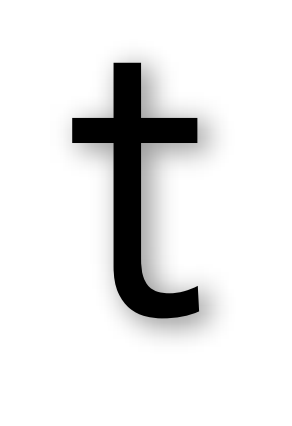

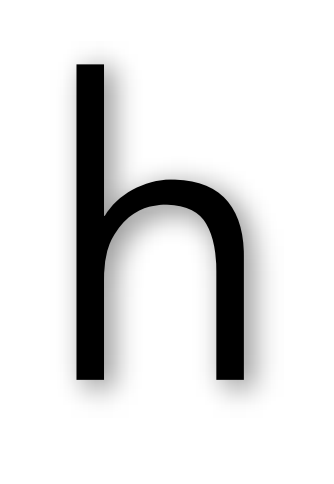
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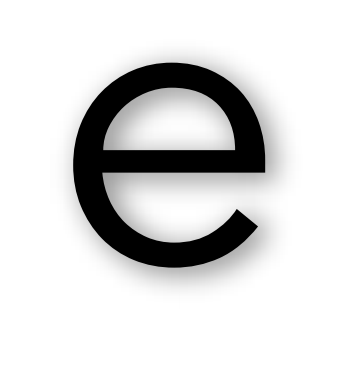
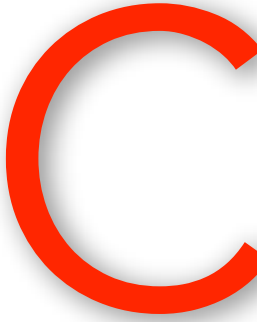



M

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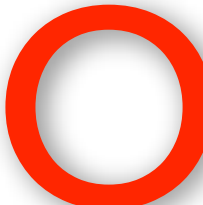
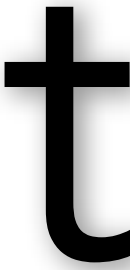
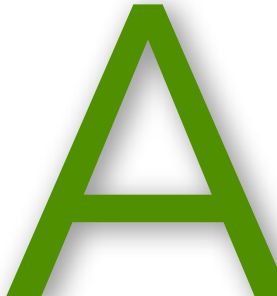
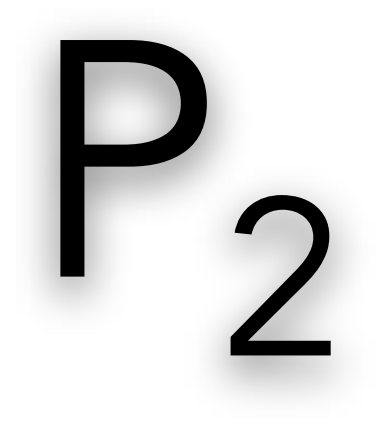


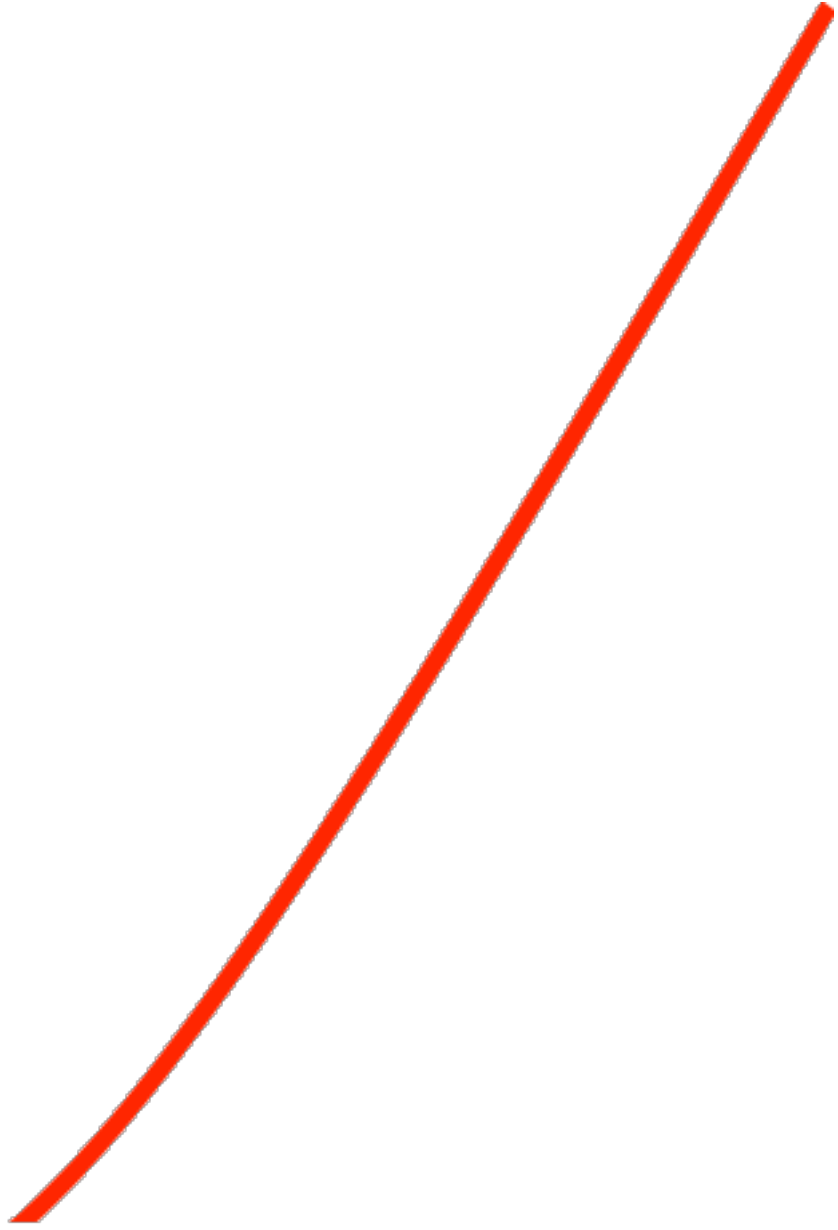


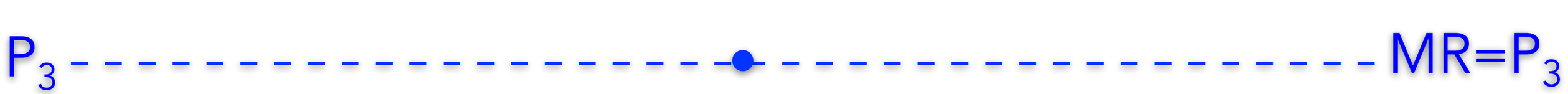


Short Run Supply = MC above AVC

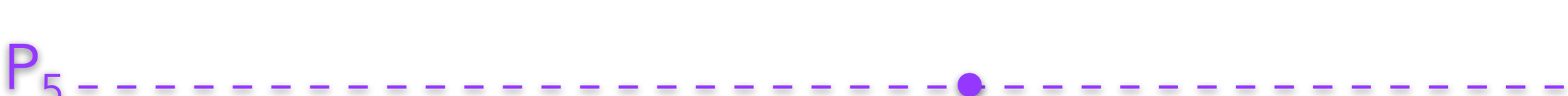

P2

$$MR = P_2$$

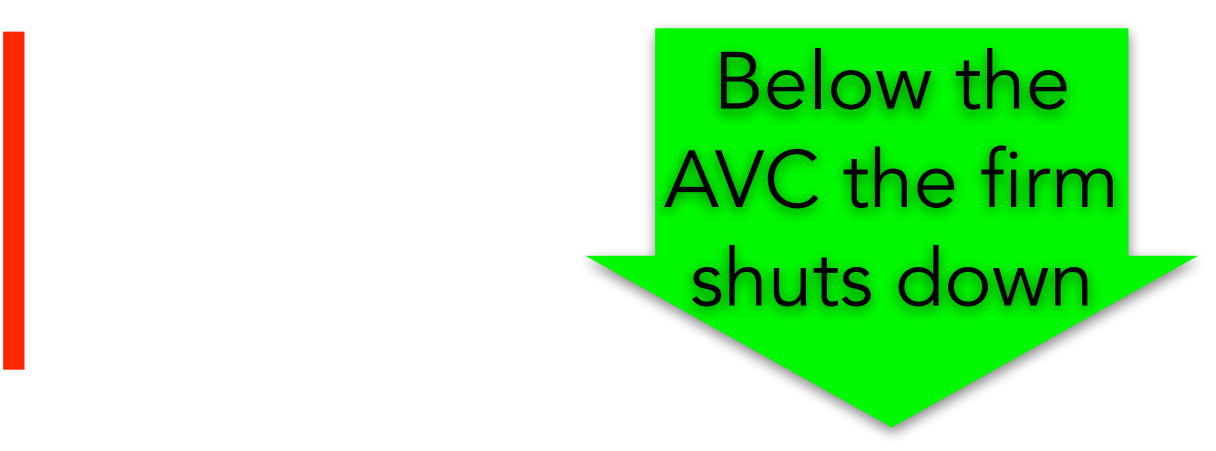



P3
MR=P3


P_4


P_5


P_6


Below the
AVC the firm
shuts down

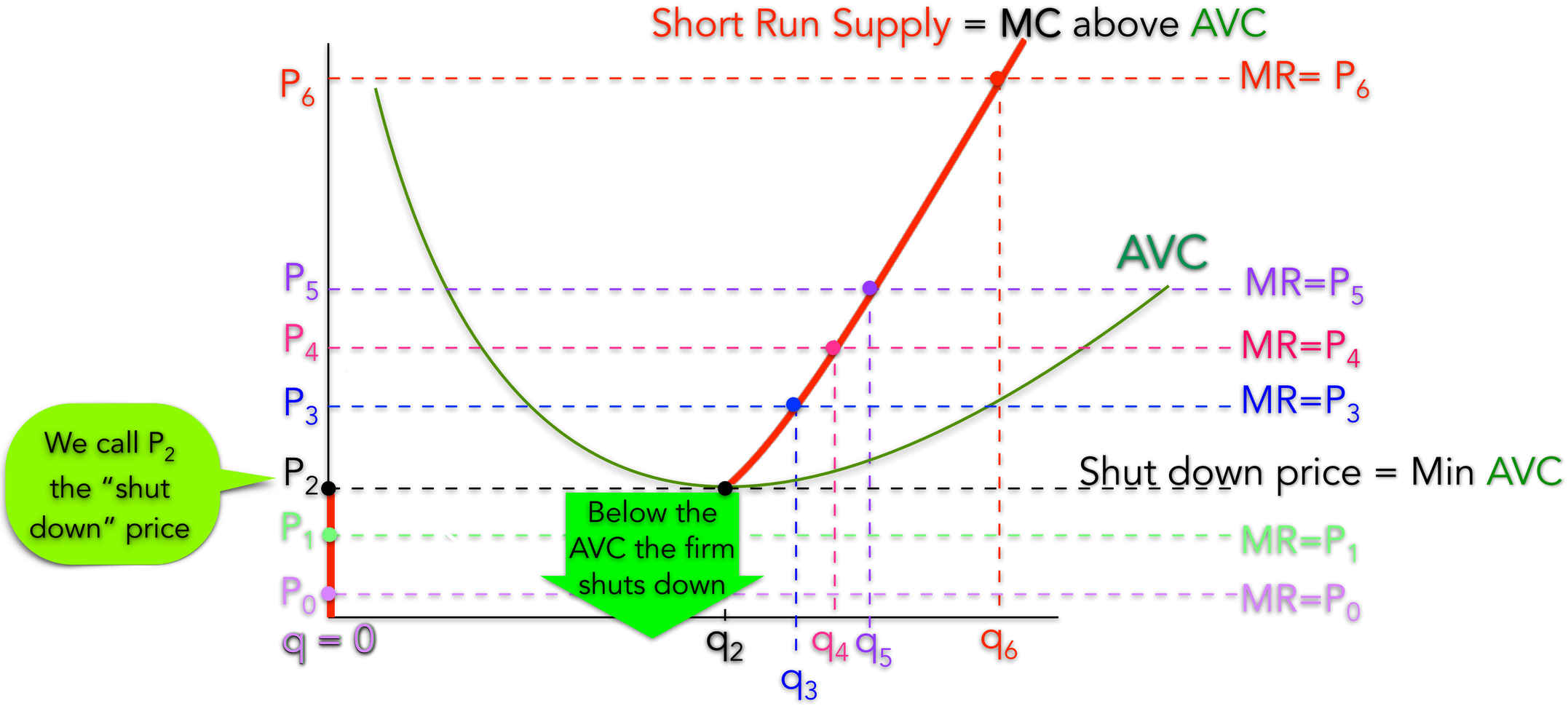
Supply below AVC is a vertical line at zero output

We call P_2 the "shut down" price

Shut down price = Min AVC

The Firm's Short Run Supply is the Same as the MC above the AVC

The Firm's Short Run Supply is the Same as the MC above the AVC



The Firm's Long Run Decision