





1

2

3

4

5

6

7

8

9

10

11

12

94

95

9%



$\text{MR} = \text{P}_6$

$MR = P_5$

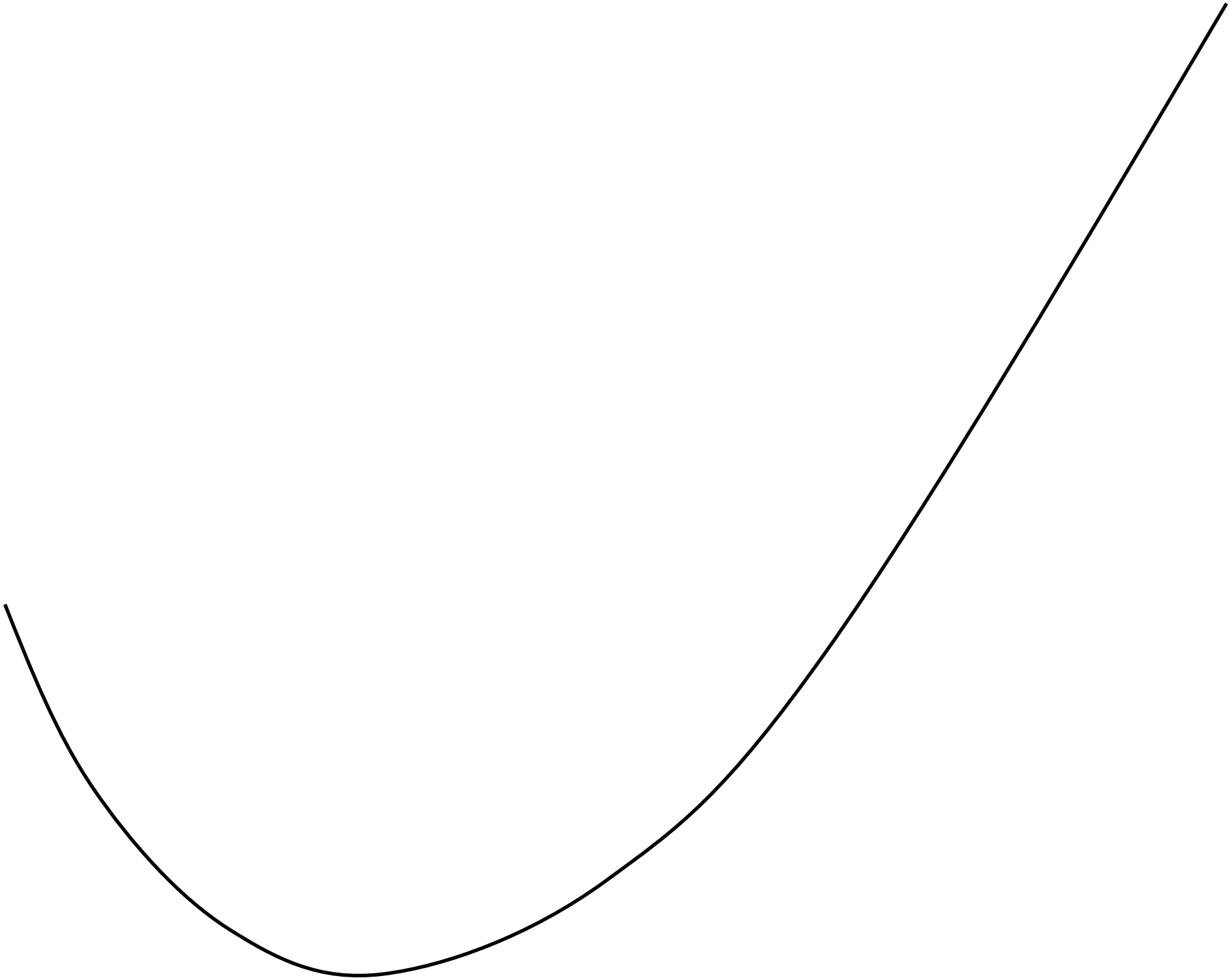
$MR \equiv P_4$



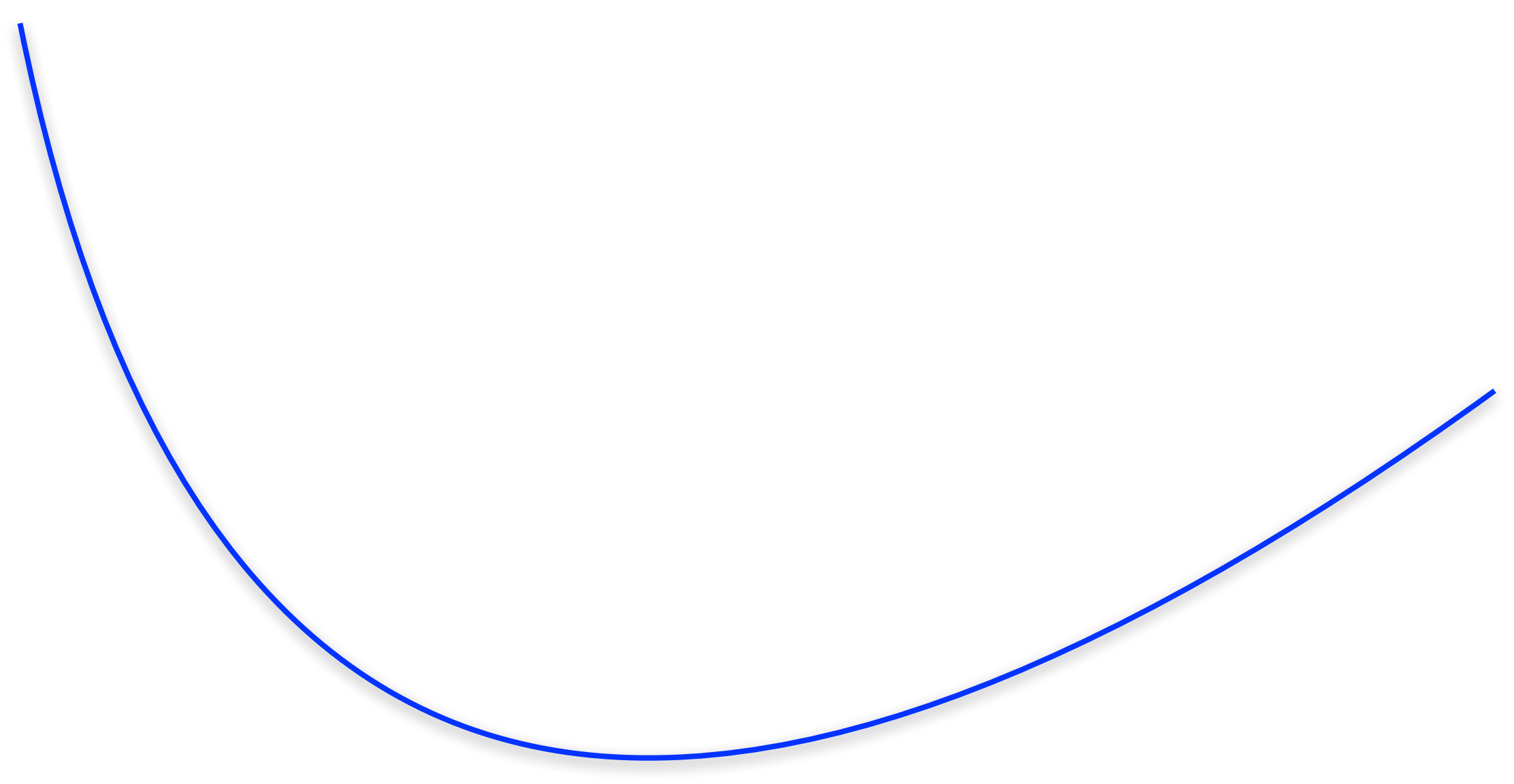
MC

$$P_1 \text{-----} MR=P_1$$





$$P_0 \text{ ----- } MR = P_0$$



ATC

P<sub>4</sub> - - - - -



$$q = 0$$

q

=

0

$$q = 0$$

q

=

0

$$q = 0$$

**T**

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**F**





**m**



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h

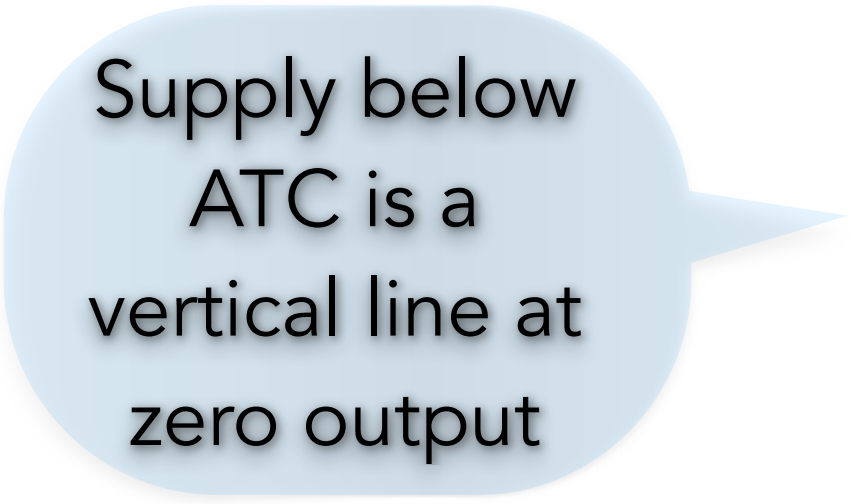
e

A

T



Long Run Supply = MC above ATC



Supply below  
ATC is a  
vertical line at  
zero output



$$P_2 \text{-----} MR=P_2$$

$$P_3 \text{-----} MR=P_3$$











P<sub>6</sub>

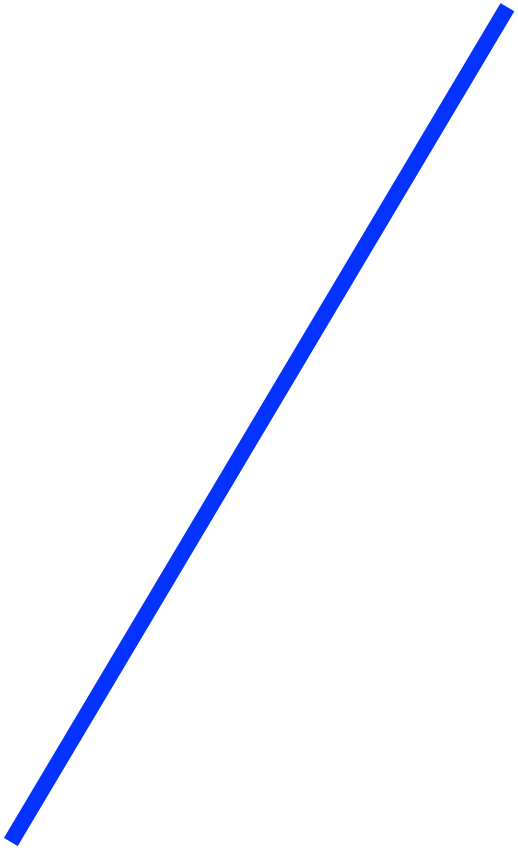




P<sub>5</sub>











Below the  
ATC the firm  
exits

A pink speech bubble with a tail pointing to the right, containing text.

We call  $P_4$   
the "exit"  
price

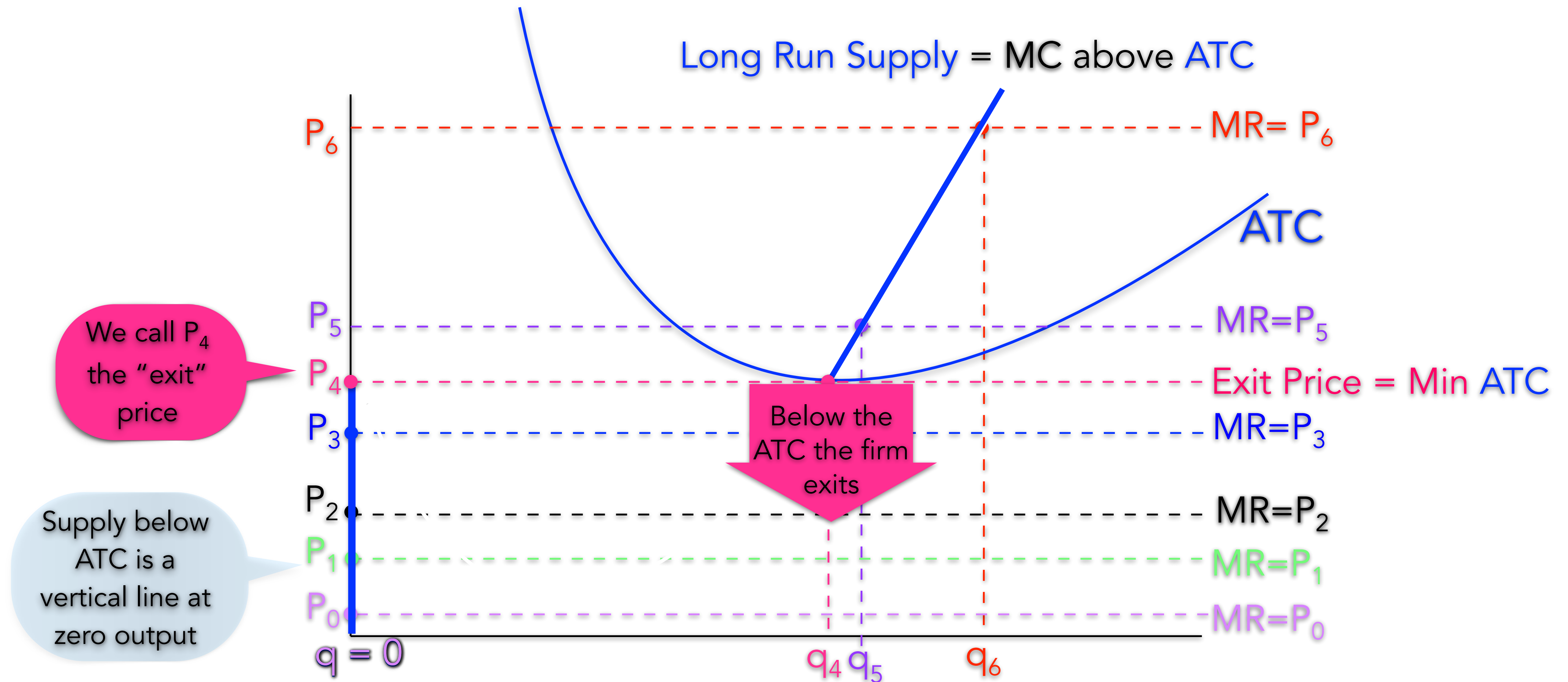
In the Long Run, the firm exits if it incurs a loss

$$\text{Exit Price} = \text{Min ATC}$$



The Firm's Long Run Supply is the Same as the MC above the ATC

The Firm's Long Run Supply is the Same as the MC above the ATC



In the Long Run, the firm exits if it incurs a loss

