



Long Run Equilibrium Condition: In equation form

**MC = MR = P = SRATC = LRATC**

For firms to be  
maximizing Profit

For firms to be  
earning zero  
Profit/Loss

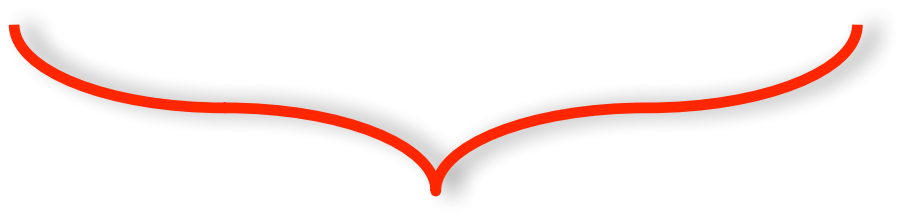
For firms to be using  
the plant that  
minimizes the  
LRATC

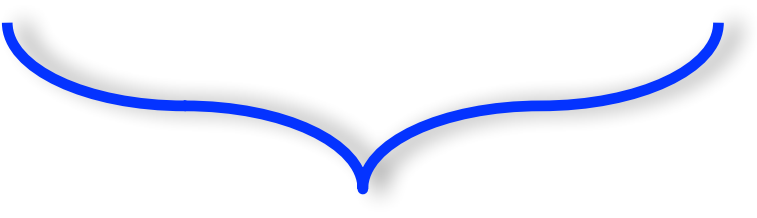
So firms would  
not change  
output

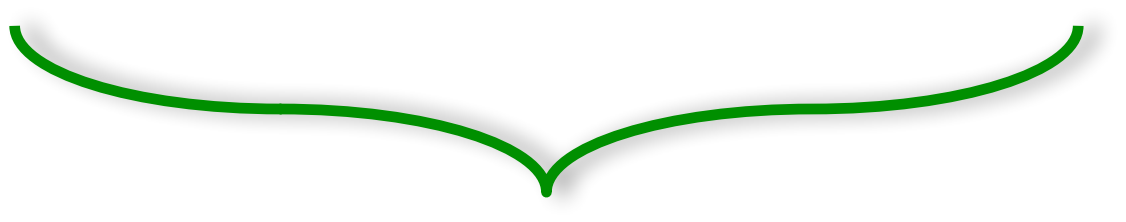
So there is no  
entry and no  
exit



So firms would not  
want to change the  
plant size

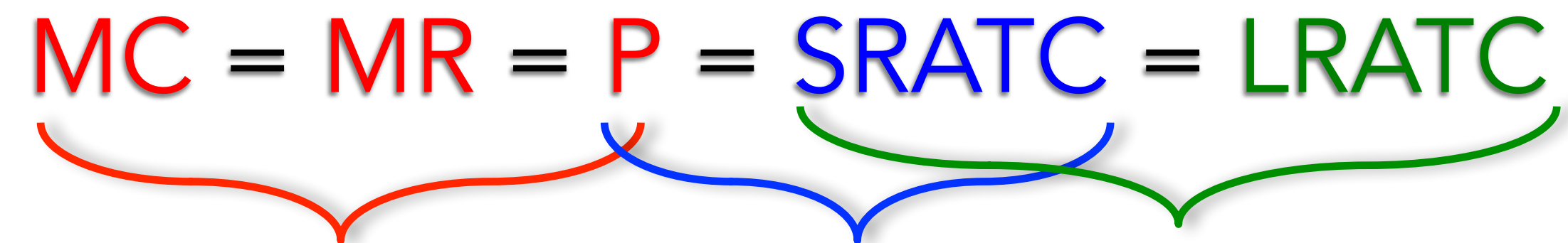






In long run equilibrium there is no reason for firms to enter, exit, change output or change the plant size

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# Long Run Equilibrium Condition: In graphic form

P, MC, MR, ATC

