

$P_{mc} \leftarrow$

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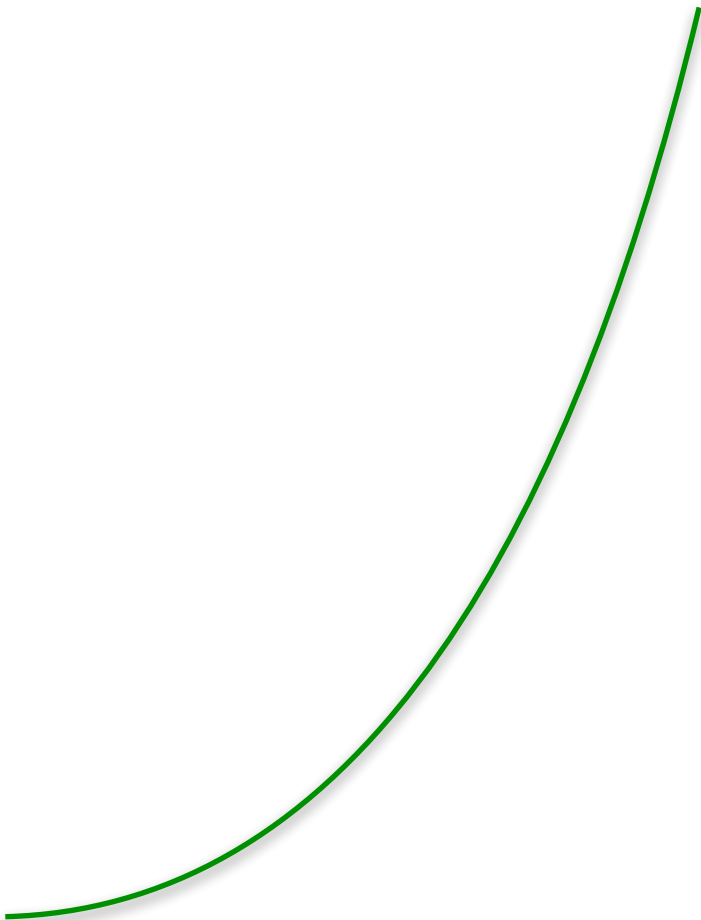
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q_{mc}

MC



MR

MC

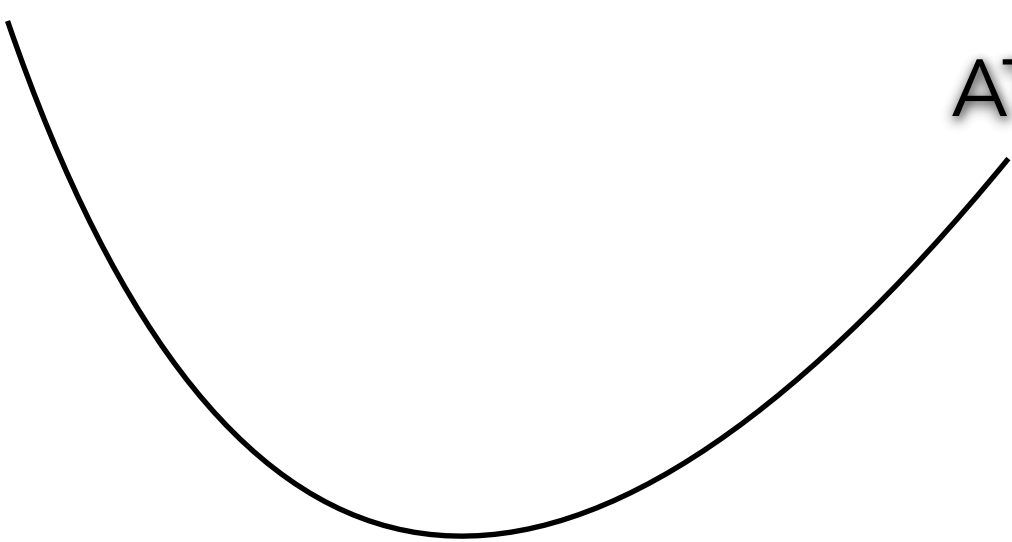


P





ATC









e





P

e





e









m

P

e













a





M







P





Y





P



A

T









m

S

e







Y

P











S

Profit

The firm should produce q_{mc} in the short run

ATC



The firm should produce q_{mc} in the long run

Like in Perfect Competition and Monopoly if $P > ATC$ firms enjoy profits

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The firm should produce q_{mc} in the short run

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